2016 Annual Report

Atkins Investment Group

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Letter From the President

Dear Friends,

It has been my pleasure to serve as President of the Atkins Investment Group for the 2015 – 2016 academic year. Historically, Atkins has been a group comprised of the finest students that the University of New Hampshire has to offer, and this year was no different.

On behalf of the Executive Officers, I would like to thank all current students, alumni, guest speakers, and faculty for your continued commitment to the Group. You are the reason the reputation of Atkins is one beyond reproach. The performance of our portfolio is not what draws new members, generous donations, and admiration from students, staff, and alumni – it is you. It is not the presentations, financial models, or finance acumen that makes the Group so successful year in and year out – it is your commitment to excellence and dedication to our students.

The past twelve months proved to be some of the most dynamic capital markets environments of the decade, providing anything but predictable returns. Operating during a period where unforeseen events and untested market conditions were seemingly the norm, negative interest rates, central bank policy divergence, a collapse in commodities, and a far from traditional geopolitical landscape added volatility across industry sectors, and resulted in a difficult environment to allocate long-only capital. Detailed in this report, you will find in-depth analysis of sector specific and aggregate performance on a historical and go-forward basis. Although the fund underperformed the S&P 500 by 6.2% for the academic year, thoughtful case-based reflection will allow stronger investment decisions in the future. That being said, 2016 is off to a strong start leading the S&P 500 by 40 basis points, and we are excited about our current positions heading into the summer.

This year marked the 10th anniversary of the Atkins Investment Group since inception and with it came reflection of attributable successes and equally as valuable failures. For our group to continue being successful, we must utilize all areas of academic study and demographic diversity in order to focus on experiences that meaningfully contribute to differentiated points of view. We must not only attract and retain this talent, but encourage our team to value diversity, collaborate productively, and remain intensely focused on collective and individual development. This year, members represented various class standings and majors, including not only finance and accounting, but also sector targeted majors such as pre-med, computer engineering, and mechanical engineering. Members' successes were evident, as shown by our 3.6 GPA average, 85% internship placement rate, and 94% full-time placement rate at top firms including Goldman Sachs, JP Morgan, Piper Jaffray, and SunTrust Robinson Humphrey.

In addition to classroom education, Atkins was involved in many on and off campus events aimed to increase experiential learning for students. Over the course of the year, the Group hosted over 30 guest speakers ranging from Atkins and university alumni, to recruiters and industry professionals, who all shared valuable insight into industries such as investment banking, consulting, and asset management. Speakers participated in classroom discussion, as well as Atkins organized events including the Capital Markets Symposium. Other event participation included the G.A.M.E. conference in New York City, as well as visits to Fidelity and Prime Buchholz's campuses. In an effort to strengthen relationships with our network, the Group held the first annual Atkins Investment Group Golf Tournament on October 23rd to celebrate 10 years since inception, and held a networking event on May 6th at the Seaport Hotel in Boston.

Reflecting on the past 10 years of success, the Group's progress is largely attributable to years of intellectual curiosity, collaborative achievement, and encouragement from faculty, alumni, and mentors along the way; we are looking forward to an even more successful decade to come. While I am proud of the progress our team has made thus far, I am even more excited about the future, and I am confident our group has the resources and ability to achieve unparalleled success.

John Schwartz
President

History and Overview

Overview

The Atkins Investment Group, hereby known as the Group, or AIG, is a student-run investment group overseeing the Wildcat Fund at the University of New Hampshire. The fund is comprised of 42 undergraduate students from a variety of majors and unique backgrounds. With ten years of operation, the fund has grown to over $200,000, comprised of both long-only equity and fixed income positions. Atkins creates a platform for group learning, mentorship, and real world experience that is unmatched in the classroom. With over 350 alumni, Atkins has become the premier developer of well-rounded undergraduate students pursuing a career in finance or business.

History

Atkins began investing in March of 2005 when the Reginald F. Atkins Strategic Investment Center provided $40,000 to the newly formed Wildcat Fund. Since 2007, over $100,000 has been donated by generous alumni, corporations, and donors, that has created opportunities for increased exposure to different asset classes, better resources, and provided the ability to pursue unique educational experiences.

Core Objectives

While the main investing goal of Atkins is to outperform the return of the S&P 500, the Group's primary objective is to provide the soft and technical skills required for students to attain top positions in their field of study. Providing superior training, mentoring, and opportunities for leadership are all key contributors to historically high retention rates and top placement in the fields of finance, accounting, and economics.

Group Objectives

I. Enhance student knowledge and awareness of various investment issues
II. Provide students with practical investing and portfolio management experience
III. Enhance student research and presentation skills
IV. Provide students the opportunity to hold positions of leadership
V. Provide students the opportunity to network with finance professionals

Training

Over the course of the summer, group members are assigned reading material aimed to provide the necessary framework for both the theory of value investing, as well as the technical skills needed to analyze companies and complex valuation methodologies. Over the first few weeks of the fall semester, officers hold thorough training on topics including accounting, financial statement analysis, company valuation, and security selection. These formal training sessions are supported outside of the classroom through access to Bloomberg Essentials Training, Breaking Into Wall Street courses, and Training the Street material.

Class Structure

The Group holds formal class meetings twice per week. During these meetings, sectors present the results of their analysis and recommend whether to buy, sell, or hold securities. Voting occurs in class following the pitch, and trades are made the same day. The Group will often host industry leading speakers who talk about their experiences within finance, and provide advice to students looking to break into the industry.

Equity Portfolio Structure

Incepted in 2005, the Wildcat Fund is structured to provide students interested in portfolio management, equity research, investment banking, consulting, or other financial services the opportunity to gain real-world, diversified experiences. Equity Analysts and Sector Leaders are responsible for the coverage of the 10 sectors of the S&P 500. Sectors are comprised of one Sector Leader with support from two Analysts.

Fixed Income Portfolio Structure

Incepted in the Fall of 2015, the Fixed Income sector is structured to provide students interested in debt capital markets, interest rate strategy, credit research, or leveraged finance with the opportunity to gain relevant experiences. Each Fixed Income sector presents twice per semester, the first presentation is comprised of investment pitches while the second revolves around bottom-up credit research of our most highly-levered portfolio companies. Similar to our equity teams, each sector is made up of one Sector Leader and two supporting Analysts.

The Fixed Income sector is split into two coverage groups: the first being Corporate Bonds and the second being Loans and Sovereign Debt. For the first presentation, both teams utilize a macro oriented approach to develop sound investment theses in the fixed income markets. As stated previously, the second presentation provides students with a more granular level, bottom-up view of the debt markets, similar to that of a credit research related role.

Equity Investment Process

Investment Process

Comprised of 36 students managing approximately $162k, the Wildcat Fund supplements its top-down approach with rigorous bottom-up fundamental analysis. As a value investing fund, sectors seek value arbitrage opportunities where market valuations differ from the intrinsic value of the company. Sectors look for macroeconomic tailwinds in profitable subsectors to then capitalize on value dislocations of competitive industry leaders in the market. Constant communication between officers, the economics team, and sectors ensures adhesion to our investment strategy.

Economic Strategy Team

The Economic Strategy team is responsible for aiding sectors in the investment recommendation process through the contribution of macroeconomic analysis and policy updates. Gathering information from multiple public and private sources, the Economic Strategy team is instrumental in recommending sector allocation and industry selection as well as providing guidance on general investment strategy.

Industry Evaluation

Each sector team has the responsibility of identifying attractive industries within the sector. With assistance from the Economic Strategy team, each sector is responsible for evaluating sectors on an industry-wide basis, examining macroeconomic trends in conjunction with relevant company-specific statistics in order to create an attractive universe. The Group continues to believe that industry-specific analysis is imperative in understanding broader macroeconomic trends and creating value for our portfolio.

Security Screening and Selection

To maximize the efficiency of our analysis process, Atkins mandates that sector groups implement an initial screen to limit the investment universe. Ideally, only 5-10 securities within each sector match the stated criteria. As a general rule, Atkins considers the following fundamental attributes desirable.

- U.S. listed securities with a market capitalization in excess of $500 million
- Increasing operating metrics such as earnings, sales, and free cash flow growth
- Increasing profitability metrics such as profit, EBIT, and EBITDA margins
- ROIC / WACC and ROE above industry averages
- Valuation metrics such as P/E and EV/EBITDA below historical and peer averages

These metrics are meant to be used as broad guidelines. Each sector has the autonomy to utilize the most effective screening process, given that the criteria is logical, defensible, and in-step with the Group's goals of outperforming the S&P 500 Index. In essence, sector groups must rationalize and explain their screening process if asked to do so.

Company Evaluation

Each sector team rigorously evaluates each company, business structure, inherent risks, and the financial statements before ultimately recommending a buy or sell. Emphasis is placed on analyzing competitive environments, conducting quantitative research, while supporting a thesis with various valuation methodologies. This allows the Group to more effectively manage risk and maximize return, while providing justification for the addition of portfolio companies.

The company analysis process begins with a thorough understanding of the business. Gathering information from Bloomberg Terminals or the Standard & Poor's Capital IQ, each sector group acclimates itself to prospective companies in an effort to identify how the firm's business could be impacted by macroeconomic events as well as fiscal and monetary policy changes.

Once the company's general business practices are well understood, rigid financial analysis begins. This aspect of the selection process is often the most rigorous, time-consuming, and valuable. Sectors conduct income statement, balance sheet, and cash flow analysis to search for meaningful trends, then comparing the results of these analyses to the company's immediate peer group.

Valuation

Value investing is the guiding principle component in the Atkins portfolio. In an effort to quantify and define a meaningful intrinsic value, Atkins utilizes a discounted cash flow approach in assigning fair-value targets to potential portfolio additions. To support DCF valuations, students use alternative valuation methods such as comparable companies analysis, precedent transaction analysis, sum-of-the-parts, dividend discount models, and net asset value models. In general, we aim to find opportunities which provide large upside potential and limited downside if the investment thesis does not play out.

Fixed Income Investment Process

Investment Process
Comprised of 6 students managing approximately $8k, our Fixed Income platform operates under two primary asset class sectors: (1) Corporate Bonds and (2) Loans, Sovereign Debt, and Macro. Each sector team is given two primary responsibilities; portfolio management through security selection, as well as credit analysis on our most highly-leveraged equity positions. During the first presentation, fixed income analysts pitch a buy, hold, or sell on particular ETFs or mutual funds believed to outperform the benchmark, the Barclays Aggregate Bond Index. The second presentation includes credit analysis which aims to provide students with a more holistic research experience, and aids the equity teams in understanding the debt profile of their holdings.

Asset Class Breakdown
The Fixed Income platform is broken down into two teams in order to better focus attention on the various segments of the debt markets.

Fixed Income I - Corporate Bonds:
Fixed Income I looks to allocate capital into corporate bonds of varying duration and credit quality in order to best capture the current rate environment.

Fixed Income II - Loans, Sovereign Debt, & Macro:
Fixed Income II looks to allocate capital to investment funds that have country specific exposure, and are driven by external macro trends such as commodities, currencies, and inflation.

Economic Strategy Team
The responsibilities of the Economics Strategy team with respect to Fixed Income are largely focused on analyzing global interest rate policy, the financial health of particular sovereign debts, foreign exchange, and the geopolitical environment. Sector Leaders and Analysts for both FI segments can then draw assumptions on interest rate risk, default risk, credit risk, and other important variables.

Industry Evaluation
In developing a pitch on particular ETFs and mutual funds, Sector Leaders work with the Portfolio Manager to determine industry and macro trends that we would like exposure to, and what the worst-case scenario could be for the play.

For the credit research presentation, Analysts are assigned 1-2 sectors in which they select the most highly leveraged holdings to analyze. When scenario testing assumptions in the credit model, Analysts work closely with the Equity Analyst who covers the security in order to build the current macro and industry environment into the model.

Fund Screening and Selection
Due to capital constraints, screening for fixed income securities is restricted to primarily ETFs and mutual funds. This allows our analysis to be almost entirely macro intensive. Since inception, we have been in the midst of a unique interest rate environment and have been seeking ways to capitalize on rising rates such as hedged high-yield ETFs, floating rate loans, and short duration securities.

As the interest rate environment changes, each sector will continue to work closely with the Economic Strategy team and the Portfolio Manager to identify the most optimal way of capitalizing on the interest rate environment at that time.

Credit Analysis
For the second presentation, Analysts conduct bottom-up analysis on particular securities by first understanding the macro and industry environment. Each Analyst then runs a three-statement credit model in order to understand drivers of cash flow, capital structure, and leverage and coverage metrics. In addition to quantitative metrics, Analysts seek to understand rating agency outlooks as well as a company's maturity schedule and covenant profile. To supplement the credit model, the company is then compared against its peers on metrics including:

- *Capital structure:* Debt / Total Capitalization, Debt / Equity, etc.
- *Leverage:* Debt / EBITDA, Net Debt / EBITDA, etc.
- *Coverage:* EBITDA / Interest Expense, EBITDA – CapEx / Interest Expenses, FCF / Debt, etc.

The addition of credit analysis provides students with the skills and qualities demanded by a variety of careers in the debt markets. Analysts acquire the ability to analyze the broader interest rate environment, as well as a company's credit quality through evaluating leverage and coverage metrics, solvency risks, covenant profile, capital structure, and rating agency outlooks. With the foundation of the Fixed Income platform established, we are looking forward to consistent operational improvements in future years.

2015 – 2016 Officers

President: John Schwartz
John Schwartz, from Quincy, MA, majors in Finance and Economics and will graduate in 2016. This was his third year in the Group where he has served as a Utilities Sector Analyst and Leader, Vice President of Operations, and closed out his tenure as President. In addition to the Group, he serves as a Dean's Ambassador, Research Assistant, and Intramural Referee. Outside of the classroom, he enjoys skiing, playing golf, and spending time with family and friends. After graduation, John will be joining Goldman Sachs as an Investment Banking Analyst.

Portfolio Manager: Justin Lappin
Justin Lappin, from Marblehead, MA, studies Finance and Economics and will graduate in May of 2016. He joined the Group 2 years ago as an Energy Sector Analyst, before becoming Basic Materials Sector Leader and now the Group's Portfolio Manager. Justin has also been involved in other groups on campus including the Dean's Ambassadors Program and an Executive Board member of Alpha Kappa Psi. Upon graduation, Justin will be joining SunTrust Robinson Humphrey as an Investment Banking Analyst in the Acquisition Finance, Execution, and Structuring group.

Executive Vice President: Jason Michonski
Jason Michonski, from Westfield, MA, majors in Finance and Economics and will graduate in 2016. This was his third year as a member of the group Group. He has previously served as a Technology Sector Analyst and Industrials Sector Leader. He currently serves as Executive Vice President and Technology Sector Leader. When he's not in the classroom he enjoys golfing, and spending time with his family. After graduation, Jason will be joining Eaton Vance as an MFS Representative.

Vice President of External Affairs: Alex Febonio
Alex Febonio, from Hudson, NH, majors in Finance and Accounting with a minor in Economics and will graduate in 2016. This was his second year as a member of the Atkins Investment Group where he served as a Utilities Analyst, Fixed Income Sector Leader, and VP of External Affairs. Outside of the classroom he enjoys vacationing on Lake Winnipesaukee, hiking, cars, and spending time with friends and family. After graduation, Alex will be joining Ballantine Partners as an Investment Analyst.

Vice President of Operations: Jacob Gomez
Jacob Gomez, from Jamestown, RI, majors in Business Administration and will graduate in 2016. This was his second year in the Group where he has served as a Telecommunications Sector Analyst, Healthcare Sector Leader, and Vice President of Operations. In addition to University involvement, he is also a Third Class Boatswain's Mate in the United States Coast Guard Reserve. Outside of the classroom, he enjoys traveling, snowboarding, and spending time with family and friends. After graduation, Jacob will be joining JPMorgan Chase as a Commercial Banking Analyst.

Chief Economist: Austin Bauer
Austin Bauer, from Nashua, NH, majors in Economics and Math and will be graduating in 2016. This was his third year in the group, where he started on the Economic Strategy team and has served as Chief Economist for two years. He also worked as a research assistant and as a supervisor for Campus Recreation. Outside of academics he spends his time reading, water skiing, and playing golf.

ATKINS INVESTMENT GROUP

2016 – 2017 Officers

President: Alexys Gilcreast

Alexys Gilcreast, from Hudson, NH, majors in Business Administration with a concentration in Accounting and a minor in Psychology and will graduate in 2018. Next year will be her second year in the group where she will leave her role as a Utilities Sector Analyst to serve as President of the Group. During the summer of 2016 she will be interning at Best Doctors Inc. as an accounting intern. Outside of the classroom she enjoys reading, spending time at Lake Winnipesaukee, and running half marathons. After graduation she hopes to work in advisory or consulting.

Portfolio Manager: Nicholas Bagley

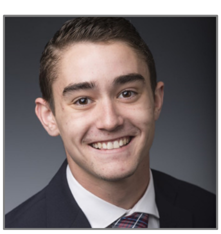
Nick Bagley, from Scarborough, ME, majors in Economics and will graduate in 2017. This was his second year in the Group where he has served as a Utilities Sector Leader and Analyst, Director of Recruiting, and will be serving as Portfolio Manager of the Group next year. Nick will be working as an Advisory Services Intern at Eaton Vance Investment Managers during the summer of 2016. Outside of the classroom, he enjoys playing hockey, golf, and spending time with family and friends. After graduation, Nick aspires to work in investment banking.

Executive Vice President: Michael O'Donnell

Mike O'Donnell, from Goffstown, NH, majors in Finance and International Business with a minor in Spanish; he will graduate in May 2017. This was his second year in the group, although he studied abroad in Barcelona for the semester. He previously served as the Basic Materials sector leader. Mike will be serving as the Executive Vice President during the 2016-17 school year. He will be interning at Liberty Mutual as a data analyst over the summer. In his free time, Mike enjoys motorcycling and traveling. After graduation he hopes to work within financial services.

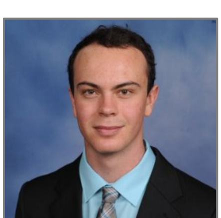
Vice President of External Affairs: Jon Tamposi

Jon Tamposi, from Hollis, NH, majors in Financial Analysis and will graduate in 2017. This was his first year in the Group where he served as a Utilities Sector Analyst, and will be serving as Vice President of External Relations. During the summer of 2016, Jon will be working as an Advisory Intern at Deloitte. Outside of the classroom, he enjoys snowboarding, playing drums, and spending time with family and friends. After graduation, Jon aspires to work in management consulting.



Vice President of Operations: Billy Cavanaugh

Billy Cavanaugh. From Braintree, MA, majors in Finance and will graduate in 2018. This was his first year in the group where he served as a Consumer Discretionary Sector Analyst, and he will be serving as Vice President of Operations next year. During the summer of 2016, Billy will be interning at DHK Financial Advisors. Outside of the classroom, Billy is on the UNH Men's Lacrosse team and enjoys spending time with family and friends.



Chief Economist: Finn Johnson

Finn Johnson, from Jackson Hole, WY, majors in Economics and will graduate in 2017. This was his second year in the group where he has served as a Telecommunications Sector Analyst and Economic Analyst. Beginning in 2015, Finn has been working for Paxworld Investments based in Portsmouth, NH, where he works on the high yield desk as an intern. Outside of school, Finn enjoys skiing, hiking and adventuring in the outdoors. After graduation, Finn aspires to work in a buy side role.

2015 – 2016 Members

2015 – 2016 Advisors & Directors

Ahmad Etebari
Faculty Advisor
Ahmad.Etebari@unh.edu

Stephen Ciccone
Faculty Advisor
Stephen.Ciccone@unh.edu

Nicholas Bagley
Director of Recruiting
Nlb2019@unh.edu

Jonathan Harrison
Director of Auditing
Jonathanrharrison@gmail.com

Members Not Shown

George Pantellis, Jose Bowen, Michael O'Donnell, Nicholas Simo, Robert Doretti

Spring 2015 Sector Leaders and Analysts

Sector	Sector Leader	Analyst	Analyst
Basic Materials	Cullen Moore cm2014@unh.edu	Zachary Fitzgerald ztf2000@unh.edu	Tyler Cornelier tgj23@unh.edu
Consumer Discretionary	Jonathan Kiskinis jmh347@unh.edu	Billy Cavanaugh wc2001@unh.edu	Taylor McDonald tcm2001@unh.edu
Consumer Staples	Richard Roy rdh39@unh.edu	Nick Savoia nrs2000@unh.edu	David Veilleux djo247@unh.edu
Economics Team	Austin Bauer acy453@unh.edu	Finn Johnson fnt4@unh.edu	Chandler Wishart cjw1013@unh.edu
Energy	Jonathan Harrison johnathanrharrison1@gmail.com	Nicholas Bouchard nmb2006@unh.edu	Paul Valhouli pmj57@unh.edu
Financials	Eric Murray ecn42@unh.edu	Connor Leppzer cmy946@unh.edu	Courtney Debus cdebusx3@gmail.com
Fixed Income Corporates	Alex Febonio ajj686@unh.edu	Bradford Kelley bjb66@unh.edu	Dongjie Wang dw12@unh.edu
Fixed Income Loans	Galen Hand grf25@unh.edu	Kelsey Ulaskiewicz kde222@unh.edu	Patrick Hammond pjb64@unh.edu
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Industrials	Will Taveras wpm5@unh.edu	Jessica Selensky jes2002@unh.edu	Luke Palmer lcp2000@unh.edu
Technology	Jason Michonski jja96@unh.edu	Garett Malagodi gsv23@unh.edu	Connor Whelan cpf37@unh.edu
Telecommunications	Charlie DeMarco cj232@unh.edu	Nick Muldrow ntd27@unh.edu	Aaron LeLacheur aml2000@unh.edu
Utilities	Nick Bagley nlb2019@unh.edu	Alexys Gilcreast agg2002@unh.edu	Jon Tamposi jje368@unh.edu

Board of Directors & Advisors

Board of Directors

The Atkins Investment Group Board is comprised of UNH alumni with distinguished careers in finance, each of whom continues to contribute invaluably to the development of the Group.

Brad Flaishans
Principal
Clayton Dubilier & Rice, UNH 2008

David Greenlaw
Managing Director & Chief U.S. Fixed Income Economist
Morgan Stanley, UNH 1980

James Ben
Managing Director
Rothschild, UNH 1992

Joseph Zock
Managing Director
Tocqueville Asset Management, LP, UNH 1977

Morgan Rutman
President
Willoughby Capital Management, UNH 1984

Stephen R. Gorham
Portfolio Manager
MFS Investment Management

Founding Members

A special thanks is extended to the founders of the Atkins Investment Group. The Group would not exist today if not for their generous donations, guidance, and effort.

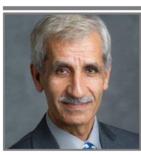
Art Davis
UNH MBA 1968
Whittemore School of Business and Economics

Reginald F. Atkins
UNH 1928
Whittemore School of Business and Economics

Steve Bolander
Former Dean 2000 - 2007
Whittemore School of Business and Economics

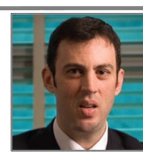
Ahmad Etebari
Former Chair, Accounting and Finance Department
Peter T. Paul School of Business and Economics

Faculty Advisors



Ahmad Etebari, Ph.D.
Former Chair of Accounting and Finance Department
Peter T. Paul College of Business and Economics

Ahmad is a Professor of Finance and Co-Chair of the Atkins Strategic Investment Center at Paul College. He has been with the University since 1980 and served as Chair of the Accounting and Finance Department from 1995-2013. He is currently Executive Director of Northeast Business & Economics Association and serves on the editorial boards of Northeast Business & Economic Studies, Investment Management and Financial Innovations, Petroleum Accounting and Financial Management and the CIK Chronicle, as well as iCapital's Investment Committee. He has published in the Journal of Banking and Finance, Journal of Business Finance and Accounting, Global Finance Journal, Pacific-Basin Finance Journal, and Managerial Finance.



Stephen J. Ciccone, Ph.D.
Chair of Accounting and Finance Department, Professor of Finance
Peter T. Paul College of Business and Economics

Stephen J. Ciccone currently serves as the Chair of Accounting and Finance Department as well as an Associate Professor of Finance at the University of New Hampshire. He received a Ph.D. in Business Administration (Finance) from Florida State University in 2000. He holds an undergraduate and a masters degree in accounting from the University of Florida, where he graduated in 1994. He worked as an auditor for Arthur Andersen from 1994 to 1996 and has been a Certified Public Accountant (CPA) since 1995. Stephen's research primarily involves examining analyst forecasts. He is the 2006 recipient of the Whittemore School's Outstanding Research Award and 2010 Excellence in Teaching.

Guest Speakers

The Atkins Investment Group would like to thank all of the guest speakers that have visited the Group. This engagement is one of the many facets that allows our group to stand out amongst other student groups at competitive colleges and we appreciate the ongoing support. Alumni and Guests have contributed significant value through career advice, academic discussion, and extending themselves a resource.

Andrew Glashow
Partner
New World Merchant Partners

Andrew Tappe
Executive Vice President
Fidelity Investments

Anna Darling
IT Analyst II
Liberty Mutual

Antonio Nastasia
Private Banking Analyst
JP Morgan

Caitlin Schlesinger
Fixed Income Research Associate
Eaton Vance

Chad Nettleship
Institutional ETF Sales
State Street Global Advisors

David Greenlaw
Chief US Fixed Income Economist
Morgan Stanley

David Mofford
Equity Trader
UBS Investment Bank

Doug Bean
Senior Vice President
Morgan Stanley Wealth Management

Gary Dunchus
Managing Director
Merrion Securities

Gordon Greer
Senior Vice President
UBS Wealth Management

Holly O'Neill
Head of Retail Banking
Contact Center
Bank of America Merrill Lynch

J. Murph Yule
Principle & Partner
R. Thomas Ashley

Janine Appleton
Research Assistant
Massachusetts General Hospital

Jason Clark
Director
Baupost Group

Guest Speakers

With speakers from many different backgrounds, industries and experiences, Atkins has been fortunate this year to learn from professionals with unique vantage points. As this engagement has become key to our student's success inside the classroom and out, we would like to extend the invite to visit our Group to any and all interested professionals who have not had the opportunity to come in and enlighten the group in year's prior.

Jeffrey Chilson
Managing Director
BlackRock

Jim Egan
Director, European Trading
Stifel Financial Corporation

Ken Wilson
Partner
CHM Warnick

Kerry Pope
Portfolio Manager
Fidelity Investments

Matt Friel
Managing Partner
Selden Creek Partners

Mike Pilot
Chief Commercial Officer
GE Capital

Morgan Rutman
President
Willoughby Capital Management

Patrick Sloyan
Internal Wholesaler
Putnam Investments

Peter T. Paul
President
Headlands Asset Management

Richard Davis
Managing Director
Rampart Investment Managemen

Richard McCready
President
The Davis Companies

Scott Morris
Internal Wholesaler
Putnam Investments

Sydney Williams
Author
Sydney Williams

Tyler Walsh
Associate, Transaction Advisory Services
EY

Zachary Leach
Consultant
PA Consulting

ATKINS INVESTMENT GROUP

Event Participation

10 Year Anniversary Atkins Golf Tournament

In October, the Atkins Investment Group celebrated its 10-year anniversary with a golf tournament held at Portsmouth Country Club. With over 70 attendees and 14 sponsors, the tournament provided an invaluable opportunity for current members to not only create relationships with Atkins and University alumni, but also allow alumni an outlet back to the Group.

The event was concluded with a reception and award ceremony where the winning team took home a $500 purse. Atkins would like to thank all alumni, sponsors, faculty, and friends of the Group who showed support and made this event a great success.

Tournament sponsors included Putnam Investments, Prime Buchholz, Sun Life Investment Management, RedBlack Software, Vigilant Capital Management, Lake Street Advisors, Seascape Capital Management, WES Construction, Hammond Electric, and Jackson Lewis among various other individual donors.

Fidelity Investments Visit

In February, the Group visited Fidelity Investments in Merrimack, NH to take part in the NEAFP conference. Students received the opportunity to listen to speakers including Kerry Pope, Portfolio Manager at Fidelity; Gerry O'Shea, Senior Director at Fidelity; and Seth Blacher and Seth Marlowe, Senior VP's at Wells Fargo who spoke on a variety of topics including managing liquidity, geopolitical risks in the market, as well as trends in treasury management.

G.A.M.E. Conference

In April, Atkins Executive Team members John Schwartz, Justin Lappin, Jason Michonski, Alex Febonio, Jacob Gomez and Austin Bauer represented the Group at the Quinnipiac Global Asset Management VI Forum (G.A.M.E.) in New York City. This was the 6th iteration of the event, aiming to bring current students from other student investment groups together with Wall Street professionals in an interactive and educational environment.

G.A.M.E. was attended by over 1,200 participants representing 140 colleges and universities from 40 different countries, featuring keynote presentations by world renowned finance professionals including Abby Joseph Cohen, Richard Bernstein, Charles Evans, Aswath Damodaran, Tom Keene, and many more. In addition, there were various breakout panels focusing on topics including the state of the economy, portfolio strategy, equity research, and career development. Students also were invited to participate in the market closing ceremony of the NASDAQ.

Undergraduate Research Conference

In April, Atkins participated in the 18th annual Undergraduate Research Conference held at the University of New Hampshire. The URC is considered a celebration of academic excellence at the University, where over 1000 students participate annually, presenting the results of their scholarly and creative research. The presentation consisted of an overview of core AIG operations, how we make investment decisions, and academic year to date portfolio and sector specific performance.

Event Participation

Capital Markets, Investment Banking Symposium

In April, organized by Atkins members Justin Lappin, Billy Cavanaugh, and Alexys Gilcreast, along with the Financial Policy Center, students from all background were invited to attend a research and career oriented event at Paul College that allowed insight into careers in Investment Banking, Private Equity, Sales and Trading, Asset Management, and Real Estate.

Key note speakers included Dave Stewart, Managing Director at GE Asset Management; Holly O'Neill, Head of Retail Banking at Bank of America Merrill Lynch; Gordon Greer, Senior VP at UBS Wealth Management; Doug Bean, Senior VP at Morgan Stanley Wealth Management; David Mofford, Equity DerivativesTrader at UBS Investment Bank; Chad Nettleship, Institutional ETF Sales; and many more.

Atkins students were invited for lunch with several guest speakers in attendance where faculty presented awards to high achieving finance students at the University. Of the students, Atkins member Nicholas Bouchard was awarded the Financial Executives International (FEI) Scholarship, and John Schwartz was awarded recognition for the FEI Outstanding Senior Award. Several other seniors received recognition for completing the Quantitative & Analytic Finance and Financial Analyst tracks within the major.

2015 marked the first installation of the event where Mike Pilot, CCO at GE Capital; Morgan Rutman, President at Willoughby Capital; Pat Leonard, Director at RBC Capital Markets; and many more presented unique perspectives and valuable advice.

Atkins Boston Networking Event

On May 6th, spearheaded by Jason Michonski, Jacob Gomez, and Jon Tamposi, the Atkins Investment Group held a networking event at the Seaport Hotel in Boston where students had the opportunity to meet Atkins and University alumni, as well as other finance professionals from the Boston area.

With over 25 students and 30 professionals in attendance, this event proved to be a major success. More than 7 years of alumni were present, many of whom have not been reconnected with Atkins since graduation, which provided an outlet to reconnect to their alma mater. Stories and experiences from distinct careers were shared over drinks and hors d'oeuvres.

Proceeds from the Atkins Golf Tournament this fall fully funded the event, and we look to continue raising capital through events like these so that we may have the flexibility to pursue unique endeavors in the future. Engagement with our alumni outside of the classroom continues to be a major priority, and the support from all who participated is greatly appreciated; we are excited to pay it forward.

Future Events

If interested in receiving further information on Atkins Investment Group hosted events, or in hosting our students at a corporate sponsored event, please reach out to our Vice President of External Affairs. Your continued support for our students is what allows our members to achieve future success.

Economic Strategy Review

Beginning in 2016, the global economy encountered challenges on multiple fronts, leaving investors and analysts alike uncertain about the subsequent volatility and viability of growth prospects. During this period, the U.S. Federal Reserve continued on its path of monetary tightening, the European Union struggled to manage migration and debt crises, concerns surrounding China's financial stability have heightened, and emerging market economies have resembled progressively brittle states.

Low oil prices and weak currencies kept the European and Japanese economies afloat yet did not help the deflationary environments. Additionally, hints of a slowing Chinese economy, decreasing commodity prices, and the beginning of the U.S. Federal Reserve's rate-hiking cycle began to appear in the infrastructure of the economy. Emerging economies like Brazil, South Africa, Thailand, and Turkey, along with China, also became real sources of concern in 2016. With high levels of debt approaching maturity in many sovereign nations across the globe, markets are concerned about looming defaults and the implications on both currencies and capital markets internationally.

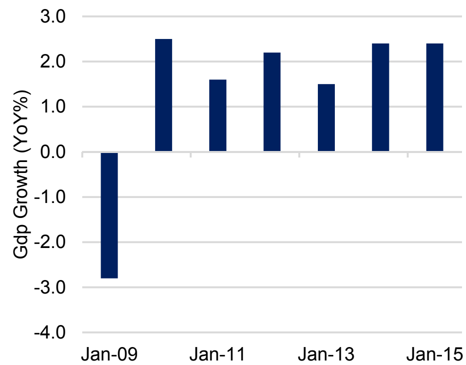
Meanwhile, the Chinese government took a major credibility hit, incentivizing excessive consumer credit and encouraging capital markets investments that ultimately lead to a tremendous boom-and-bust of the country's major indices. Simultaneously, market participants have been concerned about decelerating growth of the nation and how the nations government will be able to manage the ongoing shift to the "new-age" Chinese economy. While the focus on Chinese concerns seems to have temporarily subsided, it will likely be a major theme throughout the remainder of 2016.

The ECB's comprehensive stimulus package, which takes measures to spur the Eurozone economy and raise inflation, has continued on its path into the unchartered territory of negative interest rates. With continued rate cuts, expansion of the bond-buying program, the dissuading of financial institutions from holding cash, and loans to commercial banks, we have seen modest, yet not tremendous, improvements in the Eurozone economy. Additionally, there has been an anticipated U.K. vote on the "Brexit," which has created new fundamental questions about the future of the Eurozone and the U.K., and in-turn U.S. financial regulation.

In the U.S., steady GDP and labor market growth continues to outweigh poor economic conditions internationally, but has been constrained by weak productivity gains. With this in consideration, the U.S. economy remains relatively healthy, and as a long-term value investment group, we have positioned our portfolio to capitalize on a strong domestic economy.

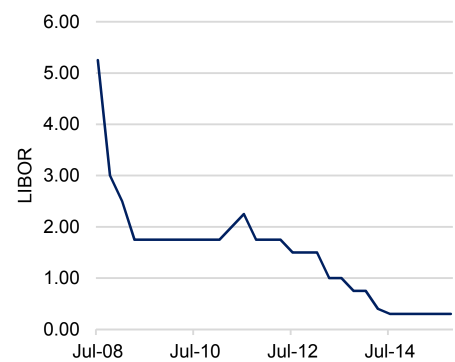
Chandler Wishart
Economic Strategy Analyst

US GDP Growth



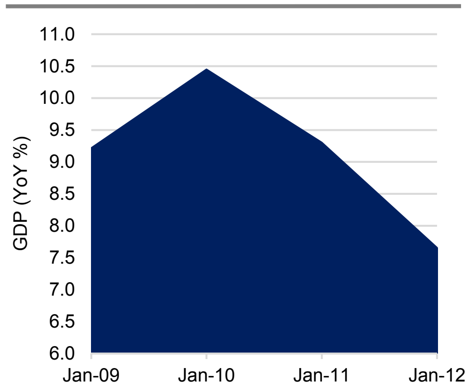
Source: Federal Reserve

Euro Area Interest Rates



Source: European Central Bank

China GDP Growth



Source: Federal Reserve

Economic Strategy Outlook

Looking forward, there are a host of global headwinds that provide uncertainty across markets and asset classes. The U.S. is looking to continue growing at a moderate pace, yet many on the Street have become uncertain of the growth potential left. With positive but slowing growth and the negative impact of foreign exchange rates on multinationals, firms continue to look for ways to increase profitability through cost cutting initiatives. While cost cutting may be necessary at the firm level, they may have broader implications on U.S. GDP as capital investment diminishes.

The million dollar question going forward is: “Where is the growth going to come from?” Oil prices have been depressed for quite a long time, which in theory is expected to drive disposable income and consumer spending, however we have yet to see positive impacts in the consumer space. This is thought to be due to the change in the way consumers consume products and services. With oil prices, ticking back up to the $40-45 range, it is uncertain whether we see this increase cut into consumers pockets, or if consumer spending trends will remain similar to when oil was in the $26-30 dollar range.

Some point to the delay of additional rate hikes as a possible catalyst for consumers domestically. However, many on the Street are also worried about this being a sign of less than ideal economic data improvements as the Fed has proven to be increasingly data dependent. While this may be true, the hidden benefit of this pushback may be continued devaluation of the extremely strong USD which will help stimulate growth through export volumes.

On a global scale, we have seen momentum slow in the global economy due to a variety of factors. Europe is anemic and emerging markets have been faltering as well. China has become one of the most powerful markets in the world and its slowing growth has proved a worry for the rest of the world. We saw commodities enter a rout the likes of which haven’t been seen since the late 90’s. China is hyper exposed to the metals industry, partly due to shadow banking arrangements that rely on inventories of metals, and we expect this rout to unravel as supply and demand dynamics rebalance with China's production capacity capitalizing on the upside.

Fundamentally, the global economy is poised for expansion given low interest rates and potential growth catalysts. The most significant catalyst needed for a jump-start in the global economy is a commodities rebound. In summary, Atkins is net bullish on the economy today, but we are invested strategically to remain defensive until clarity surrounding international headwinds and geopolitical concerns are seen to fruition.

Finn Johnson
Economic Strategy Analyst

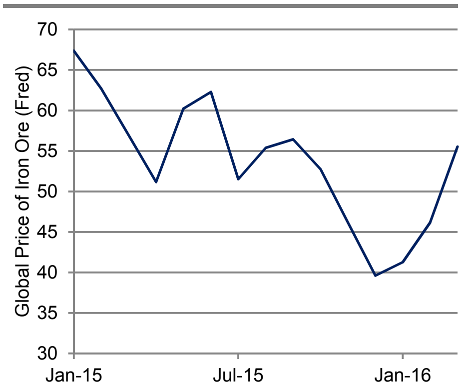
Devaluation of the Dollar

Source: Federal Reserve

Oil Price Normalization

Source: EIA

Rebound in Metals Prices



Source: Federal Reserve

Letter From The Portfolio Manager

Today we are in the midst of one of the most unique capital markets environments in market history – emerging markets volatility, crude prices approaching the lows of the 1998 commodity crisis, sovereign debt burdens around the globe, the strength of the USD, and prolonged accommodative monetary policy actions by the Fed that have left interest rates near zero for ~7 years. Together, these factors have contributed to heightened volatility and a very challenging environment for investors; especially long-only funds. With this volatility, we have seen increased volumes of hedge fund closures and mediocre actively managed fund performance. Equity funds have returned -6.1% in the last year, while value oriented equity funds have performed slightly better with an average 1-year return of -4.2%.

Being a value focused long-only fund, we have been exposed to this challenging environment yet have held our own relative to the Street. Year-over-year as of April 30th, 2016, the Atkins Investment Group has returned -7.5% while the S&P 500 returned -2.7% and U.S. based equity mutual funds returned -4.35%. Year-to-date, the fund has returned +1.8% relative to +1.5% for the S&P 500, +1.94% for all actively managed equity funds, and +2.85% for value oriented equity funds. While our performance has been slightly lower than our benchmarks over the last year, we are pleased to start off calendar year 2016 on a strong note and plan to remain focused on our disciplined investment strategy in order to increase long-term performance.

This academic year, we aimed to not excessively diversify our portfolio, but rather concentrate our portfolio into high-conviction, value oriented plays. Through the beginning of the 2015 – 2016 academic year, the Group took part in a portfolio restructuring project in which we broke up our ESG sector holdings and placed them into their respective sectors in order to better manage sector exposures. With additional holdings in sectors such as Energy and Financial Institutions, we liquidated positions in these sectors believed to present the least favorable risk-reward trade off. With this change, the Group had a larger than normal cash balance on hand throughout the year that we have conservatively used to take advantage of attractive valuations in the market as they arose. The Group currently has ~15.0% of AUM in cash which we are looking to put to work next academic year. Lastly, with the expansion of our Fixed Income platform, we have sought ways to conservatively tap into interest rate markets as Federal Reserve monetary policy actions have inflated bond valuations substantially over the last 7 years. With expected policy tightening in the next several years, our team has been seeking ways to play a rising interest rate environment through exposure to floating-rate leveraged loans, short duration investment grade bonds, and hedged high yield ETFs.

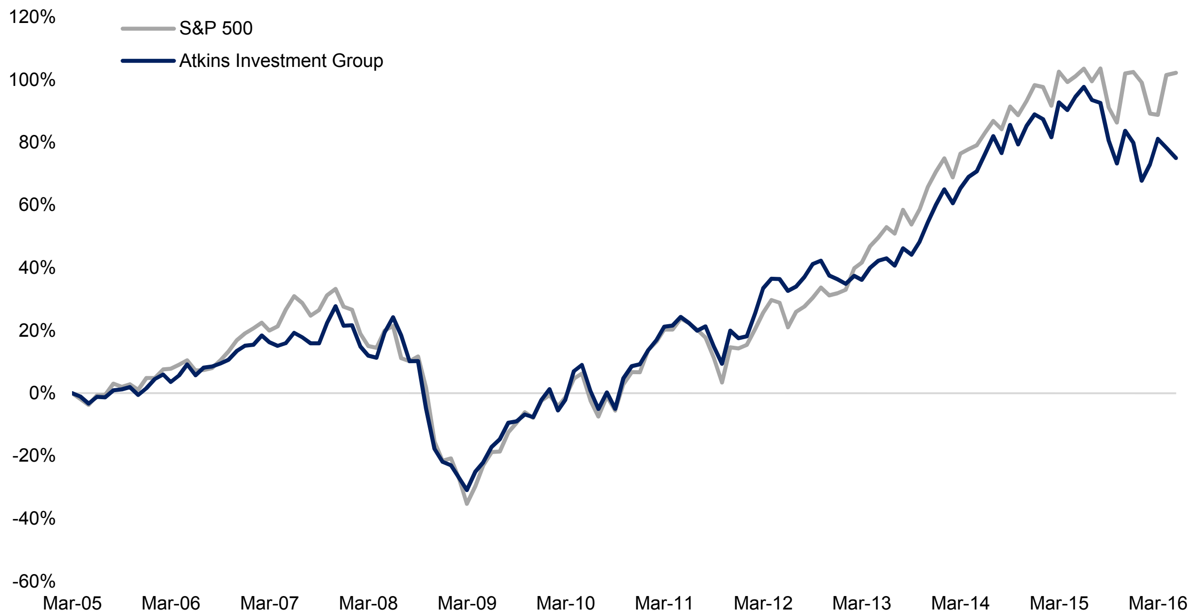
Our team has focused on actively managing the risks present in today's capital markets, including the impact of foreign exchange exposure, commodity price volatility, the potential for interest rate hikes, and a global economic slow down. With our relatively large cash balance on hand, we have sought to capitalize on an overall healthy U.S. economy and take advantage of cheap valuations upon market dips. On a go-forward basis, we are net bullish on the global economy yet are remaining tactical in both building a defensive portfolio and generating returns in the market.

This academic year has been instrumental to the growth and development of our organization. While our financial performance has not been stellar, we are proud of our ability to execute on our double-bottom line – performing in the markets and providing our students with a valuable learning experience. The 2015 – 2016 academic year as been a year full of individual and group accomplishments that have been a pleasure to be a part of. Group wide full-time job and internship placement successes have been arguably the best ever since our inception. We have executed on new strategic initiatives and helped maintain a culture focused on group-think, mentorship, and both professional and academic excellence. From alumni events, to experiential learning experiences, to our members attaining numerous prestigious finance related internships and full-time jobs, we are proud of the things we have accomplished as an organization. Going forward, we are extremely confident in each member's ability to contribute to continuous delivery of both our financial and strategic objectives.

Justin Lappin
Portfolio Manager

Performance Since Inception

Fund Performance Since Inception



Portfolio Statistics Since Inception						
	Average Return		Standard Deviation		Sharpe (1.8% Rf)	Treynor
	Monthly	Annualized	Monthly	Annualized		
Atkins Investment Group	0.42%	5.1%	4.0%	13.9%	24.0%	3.0%
S&P 500	0.53%	6.5%	4.2%	14.6%	32.2%	4.4%

Since inception on March 1, 2005, the Fund has achieved a total return of 75.0% (5.5% CAGR) compared to the S&P 500's total return of 102.2% (7.2% CAGR). The Fund uses the Sharpe Ratio, Treynor Ratio, and Value-at-Risk to understand both risk-adjusted returns and downside risk for our portfolio. Since inception, the Fund's annualized risk-adjusted return as measured by the Sharpe Ratio and Treynor Ratio are slightly lower than the that of the S&P 500. Atkin's current Sharpe Ratio is 24.0% versus the S&P 500 at 32.2% while our Treynor Ratio is 3.0% versus the S&P's 4.4%. While our risk-adjusted returns are lower than our benchmark's, our overall portfolio volatility as measured by monthly and annual standard deviation is lower than our benchmark's at 4.0% and 13.9% versus the S&P 500's 4.2% and 14.6% respectively.

Since inception, the Atkins Investment Group portfolio has outperformed the S&P 500 in 5 out of the last 11 academic years. In the 2012-2013 academic year the portfolio significantly underperformed its benchmark and has since been fighting to catch up with the S&P 500. Over the past year, our overall portfolio performance was mediocre on both a risk-adjusted and absolute basis, as heightened volatility and an extremely unique capital markets environment proved to be very challenging for long-only investors. We conclude that our relative underperformance has been attributed both heightened market volatility and the large cash-balance that we have had on hand throughout the last year and a half. Going forward, we are happy to have a relatively substantial cash balance on hand as it allows us to have enough flexibility to take advantage of value opportunities as they arise in the market. Given the extended secular bull market, stretched valuations, tight correlations, high volatility, and our passively managed summer strategy, we are content with our overall portfolio performance and are looking forward to putting capital to work, remaining disciplined in executing on our value-oriented strategy, and outperforming our benchmark in the coming academic years.

Fund Performance Statistics

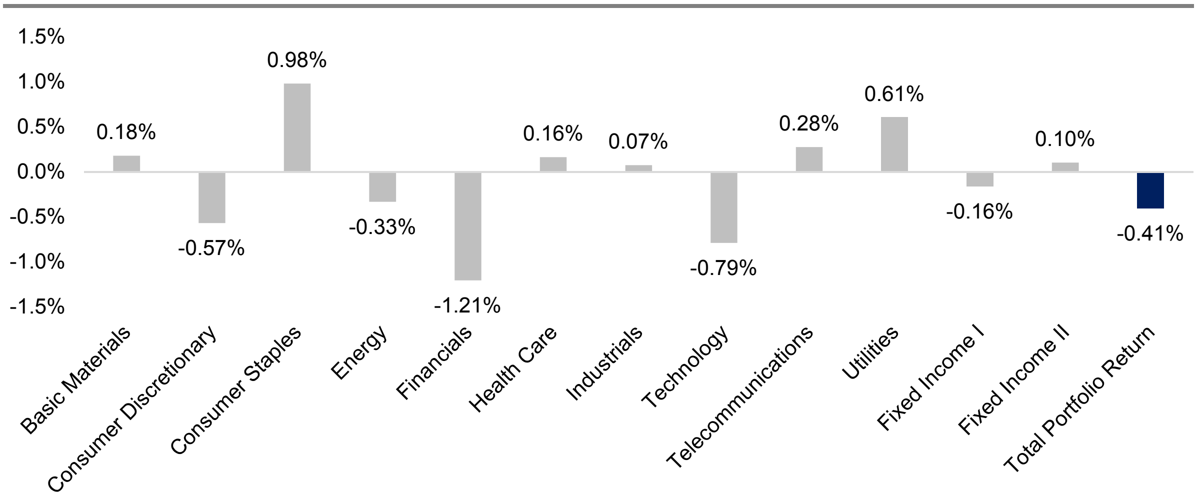
Annual Performance Overview Since Inception

Calendar Year Return				Academic Year Returns			
Year	Atkins	S&P 500	Relative Over (Under)	Year	Atkins	S&P 500	Relative Over (Under)
2006	9.5%	15.1%	-5.6%	05-06	3.9%	5.1%	-1.2%
2007	4.4%	4.9%	-0.5%	06-07	7.6%	18.5%	-10.9%
2008	-37.3%	-37.4%	0.1%	07-08	6.5%	-4.0%	10.5%
2009	30.4%	25.6%	4.8%	08-09	-25.5%	-27.3%	1.7%
2010	11.7%	14.4%	-2.7%	09-10	10.0%	7.9%	2.1%
2011	3.1%	1.5%	1.6%	10-11	27.8%	29.5%	-1.7%
2012	13.3%	15.2%	-1.9%	11-12	14.6%	8.8%	5.8%
2013	21.7%	31.5%	-9.8%	12-13	0.6%	17.3%	-16.7%
2014	13.0%	13.0%	0.0%	13-14	21.7%	19.1%	2.6%
2015	-6.0%	2.5%	-8.5%	14-15	6.0%	6.3%	-0.3%
YTD '16	1.8%	1.5%	0.3%	15-16	-0.4%	5.8%	-6.2%

2015-2016 Academic Year Performance by Sector

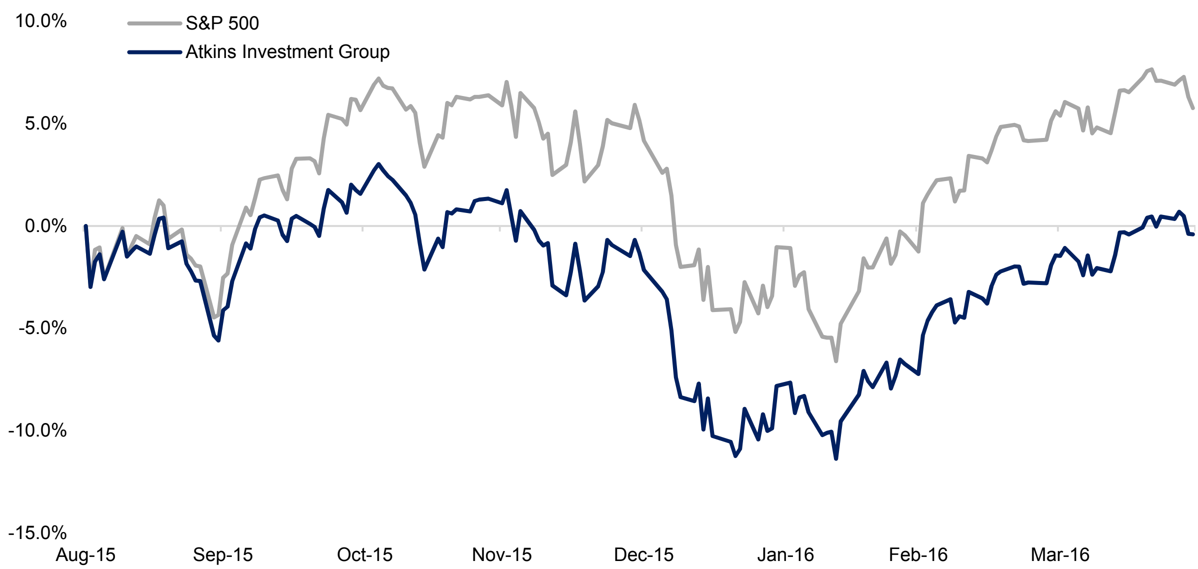
	Returns Relative to Sector Benchmark for 2015-2016 Academic Year				
	AIG Return	Benchmark	Benchmark Return	Relative Over (Under)	Avg. Portfolio Weight
Basic Materials	3.6%	XLB	8.6%	-5.0%	4.2%
Consumer Discretionary	-8.3%	XLY	5.6%	-13.9%	10.5%
Consumer Staples	9.7%	XLP	10.5%	-0.9%	9.5%
Energy	-4.0%	XLE	1.6%	-5.6%	8.2%
Financials	-10.0%	XLF	-0.5%	-9.5%	12.0%
Health Care	1.6%	XLV	-1.0%	2.6%	10.4%
Industrials	1.5%	XLI	9.5%	-8.0%	5.6%
Technology	-8.4%	XLK	4.7%	-13.2%	9.3%
Telecommunications	5.3%	XTL	2.6%	2.7%	5.3%
Utilities	13.9%	XLU	14.0%	-0.1%	4.4%
Fixed Income I	-7.8%	AGG	1.8%	-9.6%	2.2%
Fixed Income II	4.9%	AGG	1.8%	3.1%	1.5%
Total Portfolio Return	-0.4%	S&P 500	4.7%	-5.1%	

Sector Returns Contribution to Portfolio Performance for the 2015 – 2016 Academic Year



Academic Year Review

Academic Year Performance



Academic Year Portfolio Statistics						
	Returns		Standard Deviation		Sharpe (1.8% Rf)	Treynor
	Monthly	Total	Monthly	AYTD		
Atkins Investment Group	(0.05%)	-0.4%	4.6%	12.9%	-12.4%	-1.9%
S&P 500	0.70%	5.8%	4.8%	13.7%	33.3%	4.6%

Best Performing Holdings – Academic Year-to-Date

Company	Position Size	Weight	Return
American Water Works Co. Inc.	$4,729.40	2.4%	40.1%
Steel Dynamics Inc.	$2,647.05	1.3%	29.4%
Chevron Corp.	$2,861.04	1.4%	26.2%
General Electric Co.	$2,460.00	1.2%	23.9%
Nextera Energy Inc.	$2,821.92	1.4%	19.5%

Worst Performing Holdings – Academic Year-to-Date

Company	Position Size	Weight	Return
Blackstone Group L.P.	$6,860.00	3.4%	-18.3%
Marathon Petroleum Corp.	$3,204.56	1.6%	-17.4%
Apple Inc.	$11,717.50	5.8%	-16.9%
Gilead Sciences Inc.	$5,292.60	2.6%	-16.0%
ARRIS International PLC	$2,277.00	1.1%	-13.8%

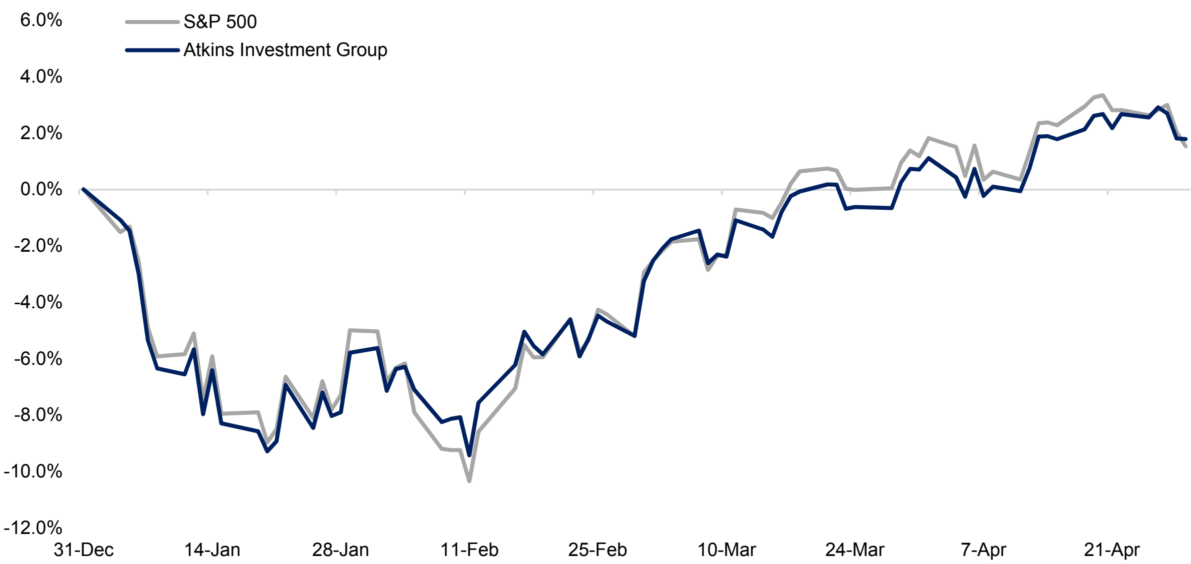
Academic Year Performance:

In the 2015 – 2016 academic year (8/31 – 4/30), the markets experienced a synergy of various factors that contributed to a very challenging environment. We saw the sustained depression in oil prices, inflated asset prices from accommodative central bank policies around the globe, worries over a global economic slowdown, and concerns over sovereign debt burdens, among many other factors. This contributed to extremely high volatility throughout the last year and a half and modest performance in the broader market. Given these factors and a relatively long-term time horizon for our portfolio holdings, we underperformed the S&P 500 by 6.2% this academic year.

Relative to respective benchmarks, our top outperforming sectors were Telecommunications, Healthcare, and Fixed Income II. Our overall portfolio underperformance relative to the broader market index was largely attributed to poor performance in our Financials, Technology, Consumer Discretionary, and Energy Sectors. Positive contributions to overall portfolio performance were attributed to solid absolute performance in the Consumer Staples, Utilities, Telecommunications, Basic Materials and Healthcare sectors, as seen on the second graph on the previous page.

Year-to-Date Review

Year-to-Date Performance



Year-to-Date Portfolio Statistics						
	Returns		Standard Deviation		Sharpe (1.8% Rf)	Treynor
	Monthly	Total	Monthly	YTD		
Atkins Investment Group	0.44%	1.8%	4.6%	9.1%	13.1%	1.4%
S&P 500	0.38%	1.5%	4.8%	9.6%	9.7%	0.9%

Best Performing Holdings – 2016 Year-to-Date			
Company	Position Size	Weight	Return
Steel Dynamics Inc	$2,647.05	1.3%	40.4%
Spectra Energy Corp	$2,501.60	1.2%	31.8%
Exelon Corp	$2,245.76	1.1%	26.7%
Eagle Materials Inc	$2,668.32	1.3%	23.3%
Halliburton Co	$8,262.00	4.1%	21.0%

Worst Performing Holdings – 2016 Year-to-Date			
Company	Position Size	Weight	Return
ARRIS International PLC	$2,277.00	1.1%	-26.1%
Marathon Petroleum Corp	$3,204.56	1.6%	-25.3%
Celgene Corp	$2,998.89	1.5%	-14.3%
Gilead Sciences Inc	$5,292.60	2.6%	-13.7%
Synchronoss Technologies Inc	$1,770.99	0.9%	-13.4%

Year to Date Performance:

The beginning of the 2016 calendar year has been a blatant example of the challenges that investors have experienced due to asset correlations. In the first two weeks of January, WTI crude oil prices dipped –28.3% while the S&P 500 fell –9.1%. From mid-January to the end of April, we saw a rally in crude prices as WTI bounced back 73.4% to $46.03/bbl and the S&P 500 ticked-up 12.7%. While it appears crude prices have bottomed out, the rally in crude was largely attributed to modest demand expectations and optimistic speculation; as opposed to a fundamental shifts in the supply and demand imbalance.

Our current commodity exposure and the correlation between crude prices and the broader market performance worked to our benefit. Year-to-date, our portfolio has returned 1.8%, outperforming the S&P 500 by 30 bps and even more-so on a risk-adjusted basis. Our year-to-date Sharpe Ratio and Treynor Ratio are 13.1% and 1.4% respectively versus the S&P's 9.7% and 0.9%. We are excited to start the current year off on a good note and are comfortable with our portfolio's ability to remain relatively defensive throughout the summer months.

Portfolio Risk Analysis

Value-at-Risk and Conditional Value-at-Risk Model

Invested Equity Capital								
1-Day Value-at-Risk (% Confidence Interval)								
	VaR 95%	VaR 99%	VaR 99.9%	VaR 99.99%	CVaR 95%	CVaR 99%	CVaR 99.9%	CVaR 99.99%
AIG Equities	-1.6%	-2.2%	-2.9%	-3.5%	-2.6%	-2.9%	-3.2%	-3.5%
S&P 500	-1.5%	-2.1%	-2.8%	-3.4%	-2.4%	-2.7%	-3.1%	-3.4%
1-Month Value-at-Risk								
AIG Equities	-7.2%	-10.2%	-13.5%	-16.3%	-11.7%	-13.2%	-14.9%	-16.3%
S&P 500	-6.8%	-9.6%	-12.8%	-15.4%	-11.1%	-12.5%	-14.1%	-15.4%
1-Year Value-at-Risk								
AIG Equities	-24.9%	-35.2%	-46.8%	-56.3%	-40.6%	-45.8%	-51.6%	-56.3%
S&P 500	-23.6%	-33.3%	-44.3%	-53.3%	-38.4%	-43.3%	-48.8%	-53.3%

Invested Fixed Income Capital								
1-Day Value-at-Risk (% Confidence Interval)								
	VaR 95%	VaR 99%	VaR 99.9%	VaR 99.99%	CVaR 95%	CVaR 99%	CVaR 99.9%	CVaR 99.99%
AIG Fixed Inc.	-0.3%	-0.4%	-0.6%	-0.7%	-0.5%	-0.5%	-0.6%	-0.7%
Barclays AGG	-0.4%	-0.5%	-0.7%	-0.8%	-0.6%	-0.7%	-0.8%	-0.8%
1-Month Value-at-Risk								
AIG Fixed Inc.	-1.4%	-1.9%	-2.5%	-3.1%	-2.2%	-2.5%	-2.8%	-3.1%
Barclays AGG	-1.7%	-2.4%	-3.2%	-3.8%	-2.7%	-3.1%	-3.5%	-3.8%
1-Year Value-at-Risk								
AIG Fixed Inc.	-4.7%	-6.6%	-8.8%	-10.6%	-7.7%	-8.6%	-9.7%	-10.6%
Barclays AGG	-5.8%	-8.2%	-10.9%	-13.1%	-9.5%	-10.7%	-12.0%	-13.1%

Total Portfolio								
1-Day Value-at-Risk (% Confidence Interval)								
	VaR 95%	VaR 99%	VaR 99.9%	VaR 99.99%	CVaR 95%	CVaR 99%	CVaR 99.9%	CVaR 99.99%
AIG Portfolio	-1.0%	-1.5%	-2.0%	-2.4%	-1.7%	-1.9%	-2.2%	-2.4%
Weighted Benchmark	-1.0%	-1.4%	-1.9%	-2.2%	-1.6%	-1.8%	-2.0%	-2.2%
1-Month Value-at-Risk								
AIG Portfolio	-4.8%	-6.7%	-9.0%	-10.8%	-7.8%	-8.8%	-9.9%	-10.8%
Weighted Benchmark	-4.5%	-6.4%	-8.5%	-10.2%	-7.4%	-8.3%	-9.3%	-10.2%
1-Year Value-at-Risk								
AIG Portfolio	-16.5%	-23.4%	-31.1%	-37.4%	-27.0%	-30.4%	-34.2%	-37.4%
Weighted Benchmark	-15.6%	-22.1%	-29.4%	-35.4%	-25.5%	-28.7%	-32.4%	-35.4%

Performance Since Inception:

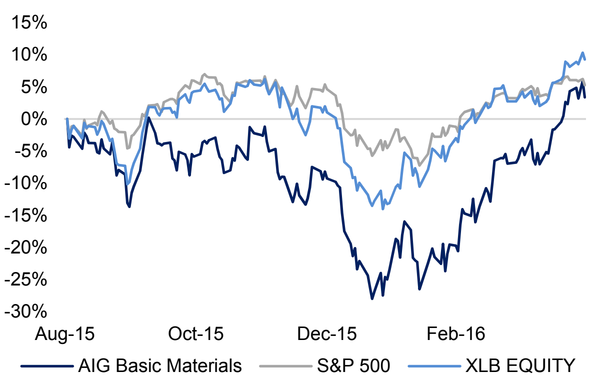
To gain an understanding of downside risk, we use a Value-at-Risk (VaR) and Conditional Value-at-Risk (CVaR) model. This allows us to understand, given a certain level of statistical certainty (confidence interval), what our implied maximum downside is during a particular time period. We compare the downside risk of our equity holdings to the S&P 500, our fixed income positions to the Barclay's Aggregate Index, and create a weighted benchmark to understand our total portfolio downside risk. As seen above, our equity holdings possess slightly more downside risk than our benchmark at all confidence intervals and time periods used in the model, while the opposite is true of our fixed income holdings. Due to our substantially larger equity allocation, our total portfolio VaR is slightly higher than that of our weighted benchmark. While we have slightly-more statistical downside risk, the team is confident in the long-term prospects of our current holdings.

Sector Outlook

Basic Materials

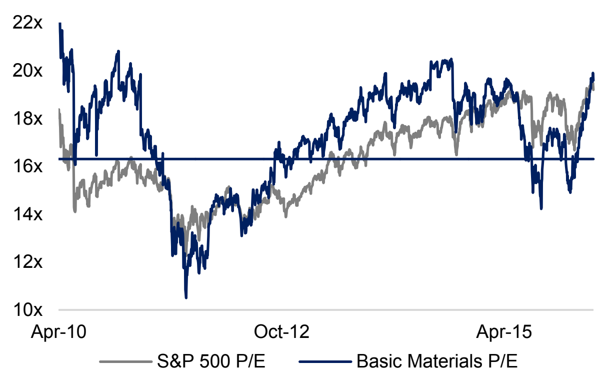
Sector Leader | Cullen Moore
Sector Analyst | Tyler Cornellier
Sector Analyst | Zach Fitzgerald

Relative Performance (Academic YTD)



Source: Bloomberg

Sector Valuation vs. Long-Term Sector Average



Source: Bloomberg

Strategy

As the materials sectors is very cyclical, Atkins is seeking to maintain a conservative, diversified strategy. We are currently targeting the metals & mining, construction materials, and specialty consumer chemicals spaces with companies that have defensive business models, diversified revenue streams, healthy balance sheets and opportunities for value creation. Our holdings are positioned to capture rising demand for residential and nonresidential construction, strong automobile sales, and the growth of flavors & fragrances in consumer markets. We are comfortable with our broad diversification in the sector and our go-forward prospects.

Top Pick

Steel Dynamics (STLD): STLD has effectively weathered the storm of product pricing devaluation that resulted from excessive steel dumping from Chinese producers by maintaining profitability and a defensive stock price. Recently, the U.S. DOC imposed tariff duties of 266% on all Chinese Steel makers and other major net-exporters, helping to increase demand for products produced by U.S. firms. With strong consumer end-markets, a domestic U.S. focus, and vertically integrated business model, STLD is poised for continued growth as the steel environment becomes more favorable. While we have already seen ~40% return in the name, our team currently has a $29 price target, implying ~15% further upside.

Headwinds

Commodity exposure is always a concern in the materials sector, especially today as prices and volatility have reached levels similar to that of the commodity crisis in the late 90's. In the intermediate term, this is likely to result in heightened volatility in the basic materials sector. Additionally, the strength of the USD will continue to be a headwind as it puts downside pressure on commodities, reduces export volumes, and negatively impacts currency translation.

Tailwinds

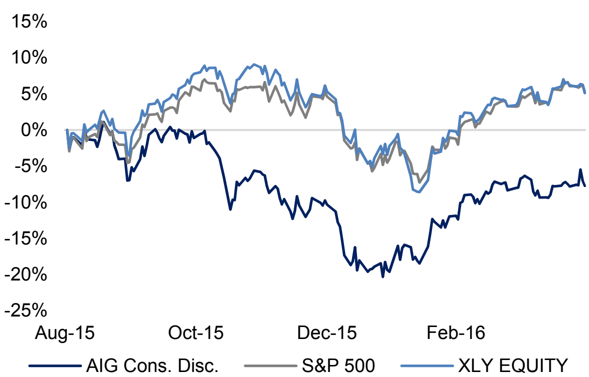
The U.S. DOC's approval of anti-dumping tariffs created a more profitable environment for U.S. based steel producers. Additionally, we believe many commodities are approaching cyclical troughs and that there are intermediate-to-long term upside catalysts for many commodities. The Fed's dovish stance on rates have helped bolster construction and infrastructure spending, which we expect to be a tailwind going forward. Lastly, we believe there are pockets of value left in the materials space as a result of recent commodity volatility.

Sector Outlook

Consumer Discretionary

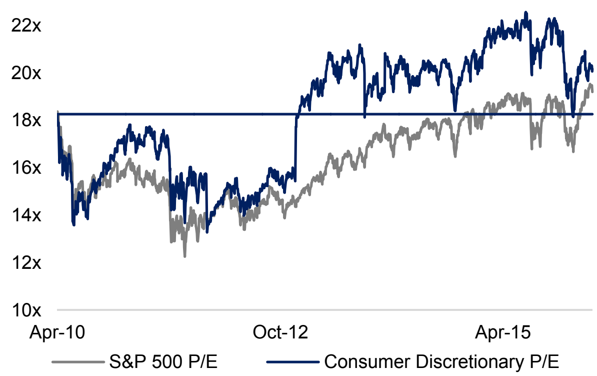
Sector Leader | Jon Kiskinis
Sector Analyst | Taylor McDonald
Sector Analyst | Billy Cavanaugh

Relative Performance (Academic YTD)



Source: Bloomberg

Sector Valuation vs. Long-Term Sector Average



Source: Bloomberg

Strategy

The Consumer Discretionary team, through broad diversification, is looking to capitalize on various macro plays revolving around low commodity costs and increasing consumer confidence, as well as more thematic plays such as a rise in emission regulation. With GT, the team is focusing on targeting pent-up demand for tires in the automobile market, low resource costs from oil prices, and increasing driving miles. With our doubt that oil prices will come anywhere near the '13/'14 highs, we believe the oil environment will bode favorable for discretionary stocks as a whole, especially GT. While chord cutting has been a major theme recently, we are confident that CMCSA has a defensive business model with revenues streams coming from non-traditional cable avenues such as Theme Parks and Filmed Entertainment, that allow us to capture long-term value creation and favorable dividend growth. Lastly, our more thematic trend is with TEN; a provider of clean-air emissions products for OEM automobile manufacturers and after-market products. With EPA regulations changing rapidly and an increasing focus on emissions standards, we believe TEN's product suit will resonate well with consumers and its valuation justifies a very attractive investment opportunity.

Top Pick

Tenneco Inc. (TEN): With this play, our sector is aiming to capture growth in TEN's Clean Air segment as their product suite will prove to penetrate the broader market as automobile manufacturers aim to hit carbon dioxide output requirements set forth by regulators. Thus far, the security has returned ~14.0% yet our team currently has a $60 price target on TEN, implying ~15% upside from current levels.

Headwinds

Foreign exchange impacts on international demand and sales are hurting firms with international exposure. The slowdown in emerging markets also has the ability to negatively affect the sector.

Tailwinds

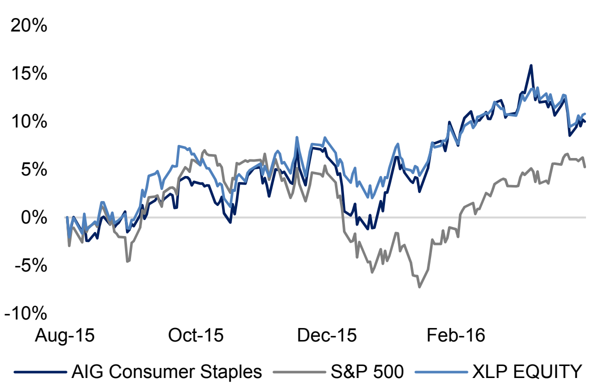
Commodity prices have reduced costs for producers of certain consumer products, while increasing consumer disposable income. Progress in unemployment and modest wage growth, cheap access to capital, and improvements in consumer confidence is expected to bolster discretionary spending for the foreseeable future. Lastly, millennial income growth and increasing household formation may prove to be a catalyst for the sector.

Sector Outlook

Consumer Staples

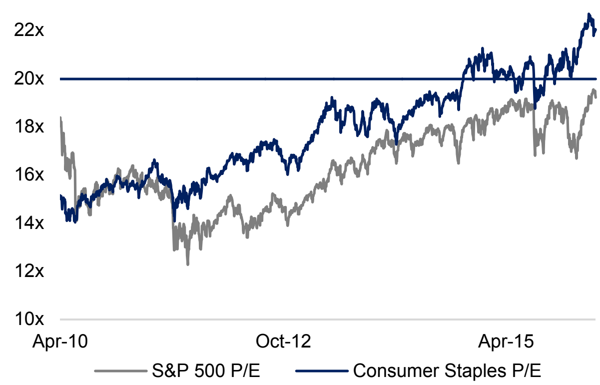
Sector Leader | Richard Roy
Sector Analyst | Nick Savoia
Sector Analyst | Dave Veilleux

Relative Performance (Academic YTD)



Source: Bloomberg

Sector Valuation vs. Long-Term Sector Average



Source: Bloomberg

Strategy

The Consumer Staples team is looking to take advantage of a millennial generation increasingly focused on wellness and their devotion of time and money towards healthy living. Their active lifestyles influence today's trends and have impacts on the new millennial economy. Taking many macroeconomic and industry specific themes into consideration such as relatively stretched valuations, FX headwinds, and compression in commodity prices positively impacting profitability margins throughout the industry, our aim is to capture value with a relatively long-term time horizon. Our current holdings reflect our macro-economic view on the economy and the need to capitalize on a growing demand for organic foods as well as the necessity to find attractive long-term opportunities which will generate value for the fund.

Top Pick

WhiteWave Foods (WWAV): Progressive health and wellness consumers are increasingly influential in redefining food culture, providing large potential for growth in the Natural and Organic Foods industry. WhiteWave has a competitive advantage in the market due to its focused, yet differentiated, product offerings. We believe the company is poised to maintain industry leading margins and offer competitive pricing to capture this macro trend. Our team currently has a $47 price target on the name, implying ~15.5% upside.

Headwinds

With sluggish growth in developed markets due to market saturation, many companies are looking towards faster growing emerging markets as a long-term strategy. However, currency turmoil has played a large role and has deterred foreign investments as a strong dollar has made goods, services, and investment more expensive. Companies will need to strategically navigate these challenges in order to recognize top-line growth.

Tailwinds

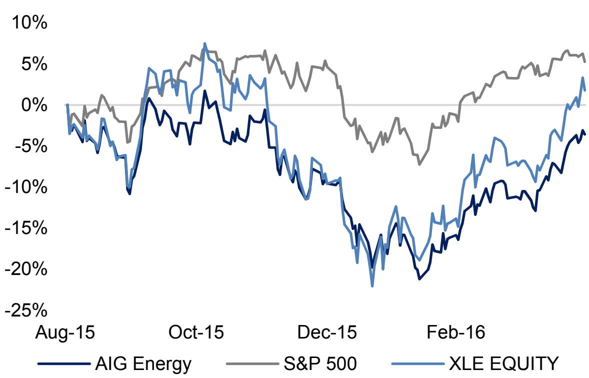
With current macroeconomic headwinds, companies have turned to restructuring initiatives and product innovations to drive growth. In a crowded and competitive space, companies are shifting focus towards health and wellness and 'good-for-you' products. Restructuring initiatives such as cost cutting, share buybacks, and focused M&A transactions will drive growth and profitability for the industry going forward.

Sector Outlook

Energy

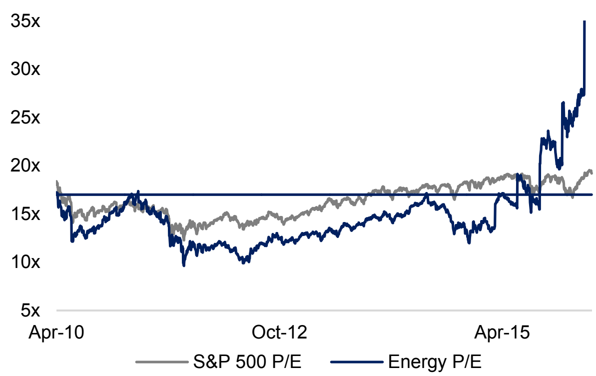
Sector Leader | Jonathan Harrison
Sector Analyst | Nicholas Bouchard
Sector Analyst | Paul Valhouli

Relative Performance (Academic YTD)



Source: Bloomberg

Sector Valuation vs. Long-Term Sector Average



Source: Bloomberg

Strategy

With an incredibly volatile oil and natural gas environment due to supply side issues and little transparency into the future of OPEC production, the energy team is employing a longer-term strategy than other sectors in the portfolio. Our holdings provide protection through exposure to mid and down-stream segments while taking advantage of deep value based opportunities in spaces that may be more volatile in the near term. Going forward, the energy team is looking to tap into exploration and production companies that have a high-quality asset bases in low-cost production areas and healthy balance sheets that support future growth initiatives. With cheap valuations in the space, yet high levels of risk due to the macro environment, we plan to remain overweight in the sector, but will utilize a conservative approach in seeking out future investment opportunities.

Top Pick

Chevron Corporation (CVX): CVX is well positioned to withstand volatility through a diversified business model, asset investment program, and capital expenditure reduction. Additionally, CVX has made efforts to diversify their revenue streams by divesting volatile Exploration & Production assets and deploying cash into their chemicals and distribution segments. We believe CVX will continue to generate free cash flow, allowing them to reduce outstanding debt and maintain an industry leading dividend. Our team currently has a $117 price target on CVX, implying ~14% upside.

Headwinds

Oil prices are down ~55% since early-to-mid 2014 highs, largely due to sustained OPEC production contributing to supply side issues and overcapacity despite relatively stable demand. Additionally, slowing growth in emerging markets may hinder demand for oil and natural gas products.

Tailwinds

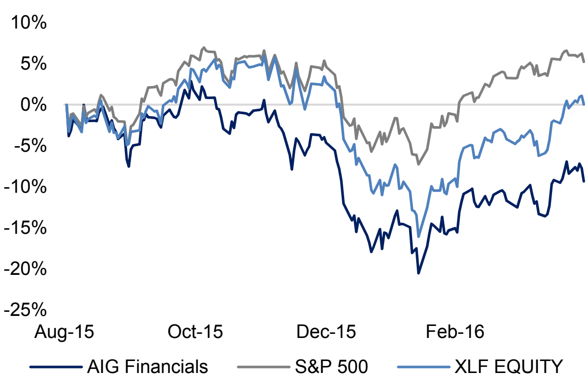
Valuations are low in many subsectors due to the large energy sell-off, which we believe is justified and representative of the risks that are present. However, we believe that this resulted in various value based opportunities on a more long-term basis in firms that will be able to weather short-to-intermediate term volatility, have strong balance sheets, and high quality reserve bases.

Sector Outlook

Financials

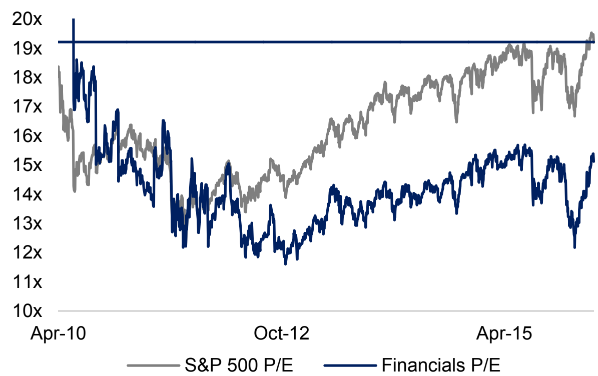
Sector Leader | Eric Murray
Sector Analyst | Connor Leppzer
Sector Analyst | Courtney Debus

Relative Performance (Academic YTD)



Source: Bloomberg

Sector Valuation vs. Long-Term Sector Average



Source: Bloomberg

Strategy

In the post-financial-crisis environment, profitability has been hard to come by in the financial sector due to tight regulation and zero-rate policies. The U.S. economy has remained relatively healthy and institutions with exposure to attractive areas of the economy, such as automobiles and housing, are poised for future growth. We are bullish on consumer finance companies ALLY & COF due to the improving U.S. economy, specifically from a labor market and consumer confidence perspective. We also aim to capture exposure to beaten down industry giants AIG & MS who we expect will return to normalized valuations as we emerge from the post-recession era. Lastly, given significant dry powder on hand, we believe today's volatile markets provide opportunities for alternative asset managers to make distressed investments in commodity linked sectors.

Top Pick

ALLY Financial (ALLY): Our team is bullish on ALLY, as the firm trades at historically low book value multiples, despite the company tripling its ROE and doubling net interest margins. Due to its online banking platform which has rapidly grown its customer deposit base, the company has access to very low-cost capital allowing for industry leading margins. Our team currently has a $23 price target, implying ~35% upside.

Headwinds

Little volatility and slowing trading volume in the fixed-income space coupled with a slowdown in underwriting activity has resulted in a massive top-line deceleration across the financials sector. Additionally, lenders have been increasingly focused on exposure to commodity linked sectors and how continued volatility may impact default rates in institution's loan portfolios. Typical in a post-crisis era, the financial sector is tightly bound by regulatory pressures which will continue to impact profitability. Lastly, expectations surrounding economic data and Federal Reserve interest rate policy is expected to heighten volatility in the coming years.

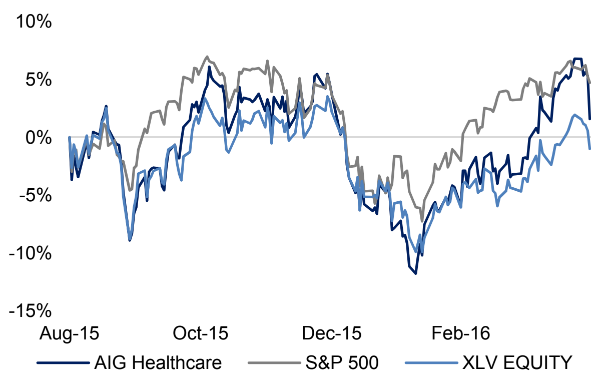
Tailwinds

Slightly decreased equity market volatility and a reduction in high-yield spreads should be a catalyst for equity issuances, private equity transactions, leveraged lending, and M&A. Barring unexpected events, financial institutions are likely to see expanding net interest margins over the long-run as the Fed maintains their gradual rate hike plans. Lastly, the financials sector appears to be trading at attractive valuations, despite potentially being justified by a drastically different regulatory environment.

Healthcare

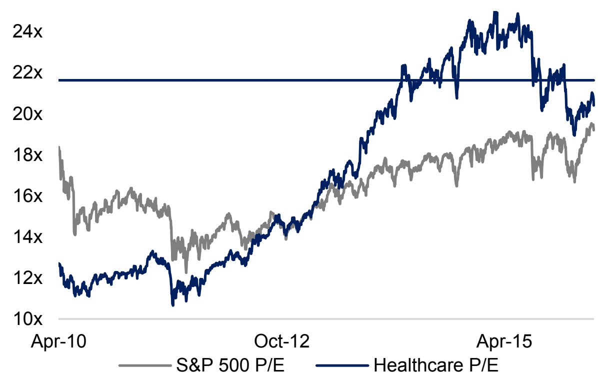
Sector Leader | Jacob Gomez
Sector Analyst | Rebecca Atkinson
Sector Analyst | Caroline Schmidt

Relative Performance (Academic YTD)



Source: Bloomberg

Sector Valuation vs. Long-Term Sector Average



Source: Bloomberg

Strategy

Healthcare spending as a percentage of GDP is primarily driven by two forces: income growth and changing demographics. The Atkins healthcare sector is focused on deploying capital and capturing growth by focusing on one of two primary trends. In advanced economies, where spending is largely driven by changing demographics and the pressure to reduce costs is increasing, we are targeting companies that can demonstrate value to their customers. In developing countries, where spending is largely driven by income growth and foreign capital is needed to build up health infrastructure, we are targeting companies that have the resources and expertise required to operate in these markets. In addition to these two main trends, our sector is also looking to capture growth in the diabetes market, where total deaths from the disease are projected to increase by +50% in the next 10 years.

Top Pick

Novo Nordisk (NVO): With a global diabetes epidemic on the rise, Novo Nordisk will capture expected growth by continuing to execute on its diabetes focused strategy, creating value for both its customers and shareholders by maintaining a strong financial profile. Our team currently has a $463 DKK price target on the name, implying ~26% upside. We valued the company in DKK, assuming that the ADR that we own will track the company's stock (NOVO-B), which trades on the Copenhagen Stock Exchange, with minimal tracking error.

Headwinds

Not unique to the healthcare sector, FX impact has continued to negatively affect the top line of large multinational corporations, such as BDX. Specific to companies within the Biotech Industry such as GILD and CELG, future government regulation on product pricing has scared investors, leading to increased volatility.

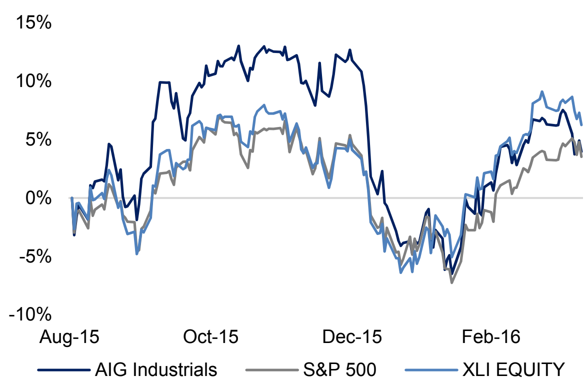
Tailwinds

Global healthcare spending is projected to grow at +6% annually over the next decade, primarily driven by income growth and changing demographics. Two-thirds of healthcare spending occurs in advanced economies, such as the U.S. and Europe, where the majority of the revenue for all of our holdings is generated.

Industrials

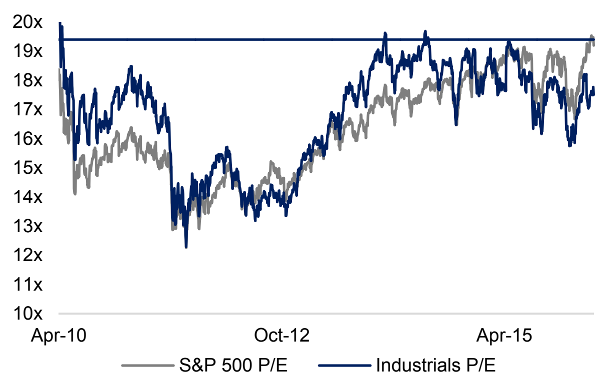
Sector Leader | Will Taveras
Sector Analyst | Luke Palmer
Sector Analyst | Jess Selensky

Relative Performance (Academic YTD)



Source: Bloomberg

Sector Valuation vs. Long-Term Sector Average



Source: Bloomberg

Strategy

Year-to-date, the industrials sector has been outperforming the S&P 500 and we are cautious in monitoring our current holding's valuations. Throughout the last year, commodity price volatility and foreign exchange impacts have been a major theme in the sector. Our team has sought to capitalize on the most opportune trends in the market, while monitoring the risks that are present today. Currently, we are most bullish on the aerospace and defense industries, specifically with companies that have substantial revenue back-logs and exposure to government spending. Going forward, we plan to screen for future investment opportunities that are trading at attractive valuations, while aiming to reduce correlations to the S&P and XLI in order to generate alpha for the Fund. We have a neutral view on the industrials sector as a whole, yet are optimistic on specific subsectors such as aerospace and defense, automobiles, and certain industrial conglomerates undergoing major strategy and business model shifts.

Top Pick

General Electric (GE): With the divestiture of GE Capital business unit and a strategy that is aiming to refocus on core industrial strengths, we believe that GE has tremendous upside potential. This business model restructuring will allow GE to reduce regulatory pressures, focus on deleveraging, and generate long-term value through an industrial-centric portfolio, justifying further multiple expansion. Our team currently has a $35 price target on the name, implying 14% upside from current levels.

Headwinds

If the sluggish economic outlook plays out and leads to a global slowdown, our sector will be impacted due to a relatively large global exposure. With this, we are exposed to the risk of negative currency translation impacts as well as a slowdown in international demand. Lastly, while commodity prices have allowed for cheap resource costs for industrial manufacturers, any future rebound may negatively impact margins.

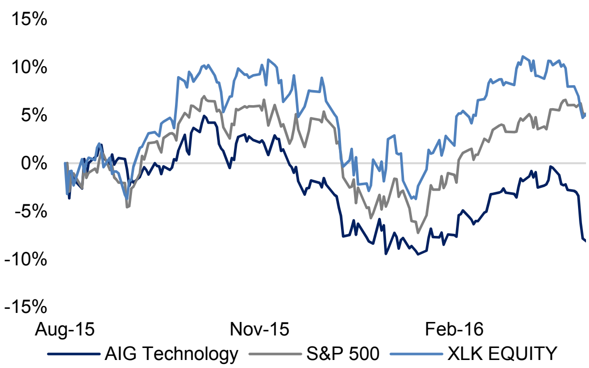
Tailwinds

Aerospace and defense companies will continue to benefit from a strong aviation market, low jet fuel costs, and continued military spending. Additionally, the positive outlook for heavy machinery manufacturing will be a positive catalyst for the sector.

Technology

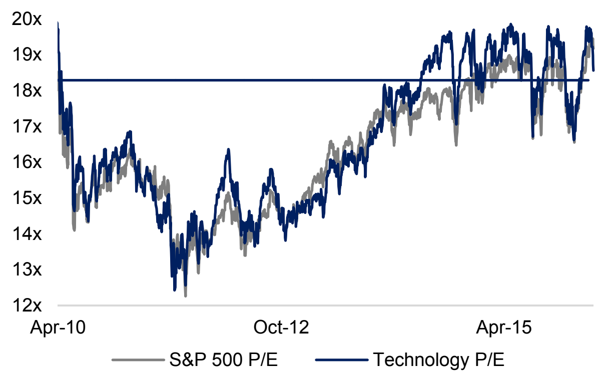
Sector Leader | Jason Michonski
Sector Analyst | Garrett Malagodi
Sector Analyst | Connor Whelan

Relative Performance (Academic YTD)



Source: Bloomberg

Sector Valuation vs. Long-Term Sector Average



Source: Bloomberg

Strategy

Currently technology valuations are relatively in-line with historical averages, yet slightly below the S&P 500. Performance in the sector has been driven by advancements in computer processing power, cloud computing, cyber security, the internet of things (IoT), and big data analytics. Our team is looking to reduce exposure to emerging markets and shy away from the very saturated hardware and semiconductor spaces. Our current holdings look to capitalize on cloud computing with ORCL, the growing demand in engineering simulation software with ANSS, and the unjustified market selloff of AAPL. Going forward, the teams allocation strategy aims to capture growth in the sub-industries with the most attractive prospects, where valuations align with our investment strategy.

Top Pick

Ansys (ANSS): Ansys is well positioned to capture the growth of simulation software and enterprise technology in industries ranging from aerospace and defense, automotive, energy, and healthcare. The computer graphics market is projected to grow at a ~7% CAGR from $23.3B in 2014 to $32.7B in 2019. Management has proven their ability to dominate this space, in turn driving free-cash-flow (~6% CAGR 2012-2015), sustaining and expanding industry leading margins, and returning cash to shareholders through the form of share buybacks. Our team currently has a $110 price target on ANSS, implying ~27% upside.

Headwinds

FX risks, a slowing global economy, and weakening demand in emerging markets presents headwinds for the technology sector going forward. The shifting demand towards cloud and software relative to semiconductors and hardware is causing a pullback in certain sub-sectors. High growth opportunities such as cloud, cyber security, and data storage are trading at stretched valuations, creating difficulty in finding value opportunities.

Tailwinds

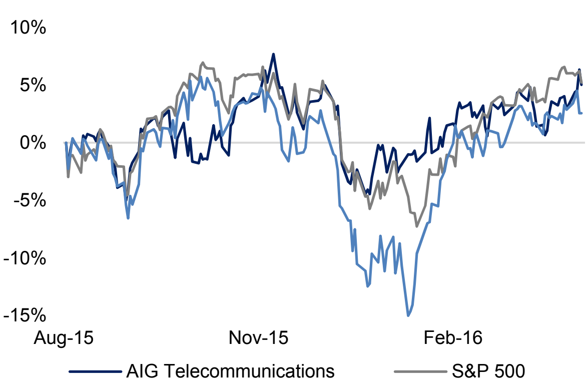
The positive demand trends in high growth spaces such as big data, software, and cloud are creating attractive opportunities, although valuations in these high growth areas are relatively high. Growth in the sector and ample cash balances are bolstering the active M&A environment which may be a driver of future growth.

Sector Outlook

Telecommunication

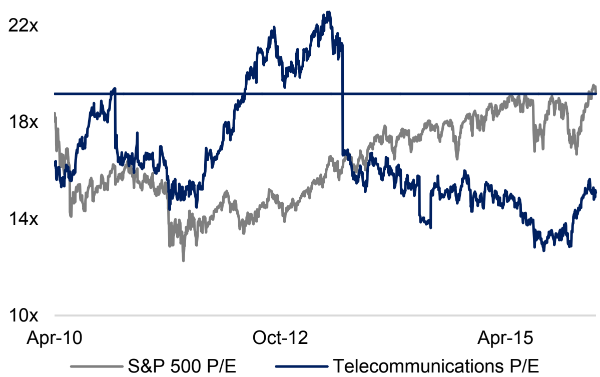
Sector Leader | Charlie DeMarco
Sector Analyst | Nick Muldrow
Sector Analyst | Aaron LeLacheur

Relative Performance (Academic YTD)



Source: Bloomberg

Sector Valuation vs. Long-Term Sector Average



Source: Bloomberg

Strategy

An intensifying competitive environment has impacted product pricing and compressed margins across the sector. Our current holdings are looking to capitalize on the demand for wireless equipment with UBNT, strong demand for video streaming with ARRS, the Chinese shift towards data plans with CHL, and an increase in embedded devices and data consumption with SNCR. Going forward, our team will utilize a conservative due-diligence process with the goal of capitalizing on growth opportunities at a reasonable price, in areas such as wireless infrastructure. Although competitive pressures are present, we believe there are pockets of value in companies with strong balance sheets and dynamic business models that are able to meet changing consumer demands. We expect positive but slow growth in the telecommunication space due to increasing competitive and industry pressures, which is being offset increasing data and broadband usage.

Top Pick

Ubiquiti Networks (UBNT): UBNT's high margin business model will allow for future growth as their high quality WISP, WLAN, and Wi-Fi products gain traction in largely untapped emerging markets. UBNT's ability to generate free cash flow, coupled with their significant cash balance on hand, allows for future reinvestment opportunities and an ability to return capital to shareholders. Our team currently has a $45 price target on the name, implying ~30% upside.

Headwinds

Margin compression due to growth in capital expenditures by companies seeking to improve and expand networks may pressure free cash flow growth for the foreseeable future. As the debt balances of telecommunication companies are traditionally very high, leverage issues may become present as free cash flow growth decelerates. Lastly, the valuation divergence relative to the S&P 500 is representative of the risks present in the market and may represent a value trap for certain plays.

Tailwinds

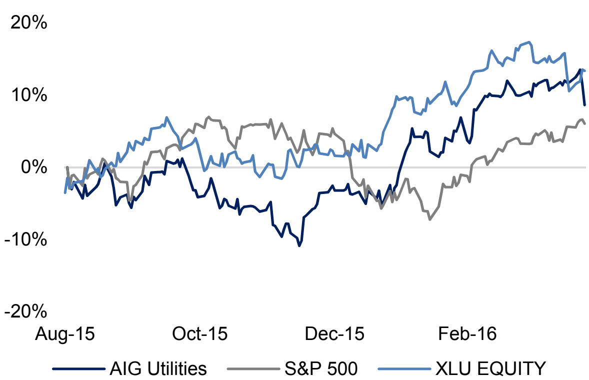
Demand for telecommunication infrastructure and services is increasing as communication and media devices move to the wireless space, although some of this shift will cannibalize growth in fixed-line revenues. In select subsectors, valuations are attractive and may deserve to trade at higher multiples.

Sector Outlook

Utilities

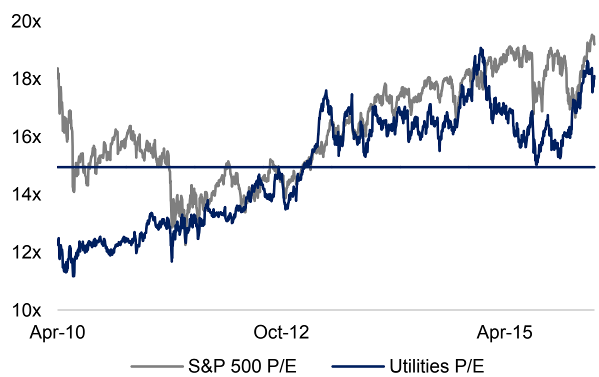
Sector Leader | Nicholas Bagley
Sector Analyst | Alexys Gilcreast
Sector Analyst | Jon Tamposi

Relative Performance (Academic YTD)



Source: Bloomberg

Sector Valuation vs. Long-Term Sector Average



Source: Bloomberg

Strategy

The Atkins utilities team has positioned sector exposure in companies that will be most positively impacted by rebounding electricity and power prices as well as the shift toward renewable and clean energy. Additionally, with the low interest rate environment and Fed monetary policy, investors have flooded the utilities sector in order to capitalize on high yields in the sector. Since the end of 2015, we have seen a slight pullback in the sector as there has been more skepticism surrounding the timing of additional interest rate hikes. Taking this into consideration, we plan to remain neutral on the space while positioning ourselves into securities that will be least affected by tightening monetary policy. The team is most bullish on independent power producers, and utilities infrastructure companies.

Top Pick

NextEra Energy (NEE): NEE has proven their ability to execute on high growth opportunities yielding significant cash flow generation through their Florida Power & Light business unit, which continues to modernize their systems while maintaining high reliability and low bills. Additionally, their YieldCo structure (NEP) provides the ability to capture a shift in renewables and generate predictable cash flow as we expect the firm to make future asset dropdowns. Our team has a $133 price target on NEE, implying ~17% upside.

Headwinds

Looming interest rate hikes may shift investors away from the utilities sector and towards less-risky assets. Additionally, the depressed wholesale and retail energy markets that have materialized since the crash in petroleum products has depressed revenue growth for many firms. Lastly, unpredictable weather patterns, such as those seen this year, create various implications for the sector as a whole.

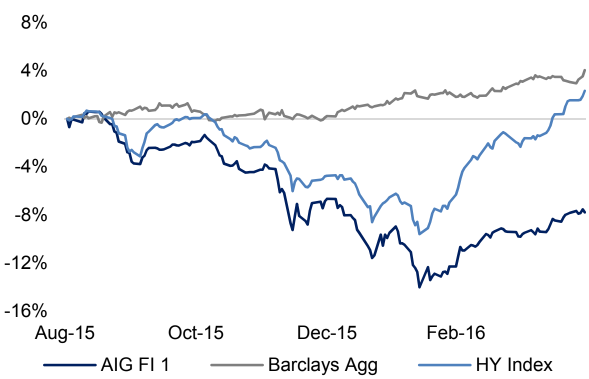
Tailwinds

The expected rebound in the power industry may result in significant upside potential. The power industry presents stability through regulated business units, while also being positioned to capture larger upside from an economic shift towards renewables, clean energy generation, as well as more traditional unregulated business units. Additionally, aging pipelines and infrastructure are in need of repair and upgrades which will bode well for transportation and distribution related utilities companies.

Fixed Income I – Corporate Bonds

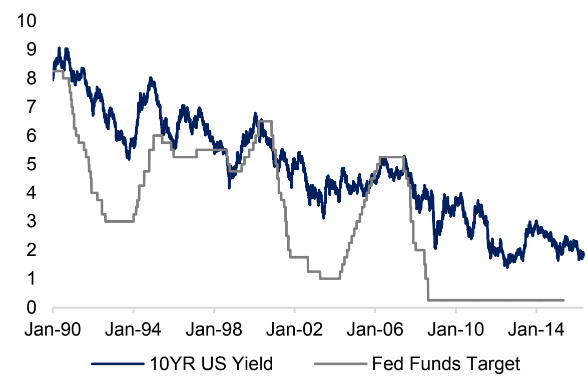
Sector Leader | Alex Febonio
Sector Analyst | Bradford Kelley
Sector Analyst | Dongjie Wang

Relative Performance (Academic YTD)



Source: Bloomberg

10-year Yield vs. Fed Funds Rate



Source: Bloomberg

Strategy

Fixed Income I focuses it's asset allocation within corporate bonds. Specifically, the sector diversifies within corporate bonds through varying levels of credit quality and duration. After in-depth analysis of macro economic trends, the sector found the most advantageous investment opportunities to be in the high yield and short-to-intermediate duration investment grade spaces. High yield securities experienced continued price depreciation due to economic turmoil and the drop in commodities. With a hedged strategy, we were able to capture a higher-yielding fixed income security at an attractive entry point, that maintains close to zero duration by shorting interest rate futures and forwards contracts. Both the hedged high yield and short-duration investment grade ETFs sought to capture steady cash flows that may be relatively defensive in a rising interest rate environment.

Top Pick

iShares Interest Rate Hedged High Yield Bond ETF (HYGH): HYGH offers a unique opportunity within corporate bonds. The high yield ETF provides exposure to relatively risky fixed income assets which have seen repeated depreciation in price over the course of 2015 and into the beginning of 2016. Additionally, the ETF has a zero duration characteristic due to its treasury hedged strategy, which allows the group to capture returns from both high yield price appreciation as well as the movement in U.S. treasuries.

Headwinds

The sector is currently faces risks posed by global economic uncertainty. The high yield space has a tendency to be far more volatile and trade similar to equities, as seen in August 2015 and heading into the new year. Furthermore, substantial downward movements in commodities increase the risk of defaults going forward.

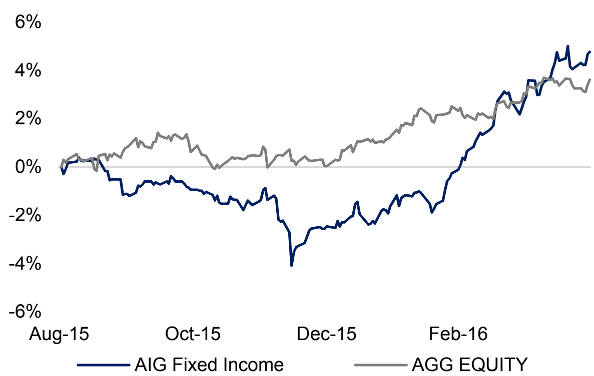
Tailwinds:

As the U.S. continues to show signs of economic expansion, both high yield and investment grade securities will see positive inflows resulting in price appreciation – though these factors also may contribute to continued rises in rate hikes by the Fed. As the energy sector makes up ~20% of the high-yield space and recent volatility in commodities has contributed to high-yield volatility, we expect further price appreciation in commodities to bode well for high-yield securities.

Fixed Income II – Loans, Sovereign Debt, and Macro

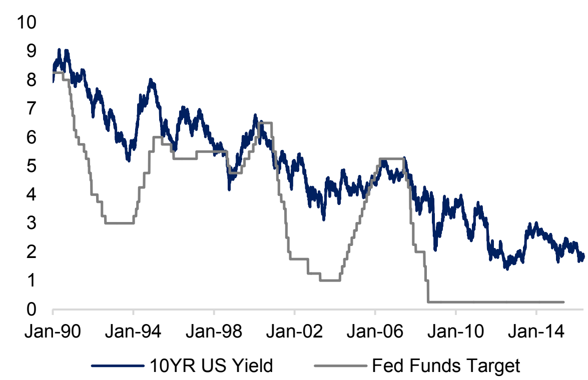
Sector Leader | Galen Hand
Sector Analyst | Patrick Hammond
Sector Analyst | Kelsey Ulaskiewicz

Relative Performance (Academic YTD)



Source: Bloomberg

10-year Yield vs. Fed Funds Rate



Source: Bloomberg

Strategy

Modest domestic economic growth, in addition to diverging central bank policies leaves the fixed income market in a unique position. The initial expectation of four rate increases has diminished to two in 2016; a result of weaker than expected economic indicators and volatility in global financial markets. The Fixed Income II team is focusing on maintaining a portfolio with low duration in order to limit interest rate risk. The sector is well positioned for a year of continued global volatility in addition to modest growth within the U.S. Our longer term outlook is centered on domestic stabilization and eventual increase of interest rates. The Leveraged Loan ETF and 7-10 Year Treasury Bond ETF will benefit from the flattening of the yield curve, while minimizing duration risk. The Global Absolute Return Fund (ECGMX) is an actively managed, open-end mutual fund that invests in fixed-income and derivative instruments in various countries and currencies. The fund managers of ECGMX utilize a highly selective strategy to pick sovereign credit investments in emerging markets that limit credit and country risk while providing a strong return.

Top Pick

PowerShares Senior Loan Portfolio (BKLN): This leveraged loans ETF offers exposure to senior secured loans which are based off of the floating LIBOR rate, limiting interest rate risk and benefiting from a rise in short term interest rates. Additionally, being senior secured loans, this ETF offers exposure to capital structure seniority which provides a safe alternative to high-yield bonds.

Headwinds

We expect to see continued volatility in emerging markets as a result of volatile commodity markets. Uncertainty surrounding the Federal Reserve's rate hike policy will be present in the foreseeable future. High levels of corporate defaults may progress through 2016 with the lingering low oil prices push default rates higher.

Tailwinds

We expect to see 1-2 rate hikes throughout the remainder of 2016, which will increase short-term interest rates and drive the portfolio yield. With U.S. recession out of the question according to most economists, we believe lower-grade credit investments are justifiable if approached with calculated risk. With heightened global volatility, we expect continued flights to safety into both higher-quality credits and riskless government assets.

Atkins Alumni

2014 - 2015
Appleton, Janine
Bagley, Nicholas
Bauer, Austin
Bowen, Jose
Merrill, Bryan
Caouette, Joshua
Ciot, Kevin (VP)
Darling, Anna (VP)
DeMarco, Charlie
Doubleday, Matt
Febonio, Alexander
Feeney, Ryan
Gallant, Marielle
Gomez, Jacob
Harrison, Jon
Johnson, Finn
Kiskinis, Jonathan
Lambert, Daniel (PM)
Lappin, Justin
Lavin, Ryan (P)
Lehoux, Jacob
Malagodi, Garrett
Maloney, Matthew
Meininger, Gregory
Michonski, Jason
Murray, Eric
Nardella, David
Nastasia, Antonio
O'Donnell, Michael
Ossinger, Alexander
Paul, Eric
Protzmann, Matt
Rodriguez, Kendre
Roy, Richard
Schwartz, John (VP)
Simo, Nicholas
Sloyan, Patrick
Taveras, Will
Virga, Samantha-Jo

2013 – 2014
Almeida, Charlie
Appleton, Janine
Bauer, Austin
Busby, Kellen
Camper, Jay
Carter, Gregory
Cataldo, Douglas
Cicci, John
Ciot, Kevin
Cray, Dan (PM)
Darling, Anna
Doubleday, Matt
Guy, Peter
Hexeberg, Victoria (VP)
Kerrigan, John
Kidd, Charlie
Lavin, Ryan
Lambert, Daniel (VP)
Lehoux, Jacob
Lowell, Brian
Merrill, Bryan
Miller, James
McCarran, Billy (VP)
Morris, Scott
Ogle, Jay
Ossinger, Brandon
Ossinger, Lexi
Perea, Austin
Schwartz, John
Sloyan, Patrick
Sorkin, Nick
Stowell, Brad
Taylor, James
Thompson, Adam
Virga, Samantha-Jo
Walsh, Tyler (P)
Wyer, Jeff

2012 - 2013
Almeida, Charlie
Appleton, Janine
Bartholomew, Jon
Bell, Ryan
Buske, Steven
Carter, Gregory
Castaldi, Nick (PM)
Cataldo, Douglas
Celi, Chris
Coffey, Sam
Conley, Brian
Cray, Dan
Doyle, Chris
Harwood, Eric (P)
Hexeberg, Victoria (VP)
Kerrigan, John
Kidd, Charlie
Kraft, Daniel
Lambert, Daniel
Lowell, Brian
McCarran, Billy
Miller, James
Morin, Brian
Morris, Scott
Nilsson, Gustav
Ossinger, Brandon
Perea, Austin
Schenck, Ben (VP)
Schlesinger, Caitlin
Shea, Harry
Slein, Connor
Sorkin, Nick
Stanek, Joe
Tappan, Caitlin
Taylor, James
Virga, Samantha-Jo
Von Svoboda, Mia
Walsh, Tyler
Winthrop, Lucas
Wyer, Jeff

2011 - 2012
Atkinson, Paul
Castaldi, Nicholas (VP)
Cray, Dan
D'Eletto, Alexander
DiGirolamo, Matt
Doyle, Chris
Eddins, Kurt
Ela, Miles
Harwood, Eric (PM)
Heaps, Gwynn (VP)
Hexeberg, Victoria
Kelley, Colin (P)
Labore, Ricky
Law, Glenn
Lowell, Brian
McCarron, William
McCormick, Matthew
McVicar, Danielle
Mofford, David
Morin, Brian
Nilsson, Gustav
Pratte, Owen
Schenck, Ben
Shelley, Ryan (VP)
Slein, Brendan
Smith, Chris
Stanek, Joe
Sullivan, Aaron
Tappan, Caitlin
Taylor, James
Truong, Thao
Walsh, Evan
Walsh, Tyler
Widger, Raven
Winthrop, Lucas

Atkins Alumni

2010 - 2011
Albee, Robert (VP)
Allen, Ben (VP)
Campell, Tyler
Castaldi, Nicholas
Celi, Chris
Cipolla, Anthony
Constant, Stephanie
DeDonato, Kelli (VP)
DiGirolimo, Matt
Freeman, David
Gaboury, Matthew
Gerum, Robin
Guidice, Ryan
Harwood, Eric
Heaps, Gwynn
Kelley, Colin (PM)
King, Alyssa
Law, Glenn
Lawlor, Ben
Leach, Zachary
Lowell, Jeffrey
Maxfield, David
McGrath, John
Nettleship, Chad (P)
Pisarek, Jenna
Relihan, Katie
Runnals, David
Savani, Anthony
Schenck, Ben
Seriachick, Ian
Shelley, Ryan
Skog, Cheyenne
Stanek, Joe
Sullivan, Colin
Thompson, Ben
Ucich, Greg

2009 - 2010
Albee, Robert
Allen, Ben
Bergeron, Ryan
Breda, Joe
Callaghan, Ryan
Camuso, Matt
Cohen, Adam (VP)
Collins, Ben (P)
Conroy, Pat
Constant, Stephanie
Corbett, Keith
Costa, Robert
Cugini, Alex
DeDonato, Kelli
Fish, Kristina
Dignan, Nick
Flynn, Kyle (VP)
Fournier, Kirsten
Goodwin, Tom
Guidice, Ryan (VP)
Heaps, Gwynneth
Hill, Brittany
Kelley, Colin
Klapprodt, Ryan
Krates, Nick
Lague, Teddy
Law, Glenn
Leach, Zachary
Leahy, Alex
Emmons, Nick
Liston, Christopher
Logan, Kelli
Lowell, Jeffrey
MacKay, Taylor
McGrath, John
Mill, Ryan
Morse, Jessica
Nettleship, Chad
O'Keefe, Conor (PM)
Proft, Silas
Relihan, Katie
Richard, Jeff
Rubino, Bobby
Shelley, Ryan
Skog, Cheyenne
Tripp, Jennifer
Volonte, Brian
Wilson, Grant

2008 - 2009
Antlitz, Christopher
Arnault, Dan
Bates, Devin
Carter, Tom
Cavanaugh, Dan
Cohen, Adam
Cohen, Matt
Collins, Ben (VP)
Comstock, Jeff
Cugini, Alex
Dhein, Clark
Dietz, Jenny
Fish, Kristina
Flynn, Kyle
Guidice, Ryan
Fournier, Kirsten
Hill, Brittany
Hudson, Wade
Jensen, Andrew
Keenan, Bill
Klapprodt, Ryan
Krates, Nick
Leach, Zachary
Lund, Phil
Macfarlane, Gordie
Macleod, Anthony (P)
Marschok, Sarah
McGrath, John
Niebling, Avram
Goodrich, Ryan (PM)
Norton, Jason
O’Keefe, Conor (VP)
Pirro, Michelle
Reilly, Colin
Ricci, Dan
Riley, Chris
Rubino, Bobby
Shilov, Dan
Stitz, Ed
Upton, Tim

2007 – 2008
Abelli, Ryan
Anctil, Kristin
Antlitz, Christopher*
Briere, Jason
Callahan, Evin
Cohen, Matt
Collins, Benjamin
Conklin, Michael*
Costanzo, Suzanne
Eurieck, Megan
Flaishans, Brad*
Goodrich, Ryan
Grillo, Michael
Hudson, Wade
Lahuerta, Julian
Johnson, Ryan
Lund, Philip
Macfarlane, Robert
Macleod, Anthony*
McGowen, Samuel
Niebling, Avram
O’Keefe, Conor
Ortakales, Heather
Pare, Michael
Peterson, Benjamin
Pungitore, Michael
Regan, Kevin
Rheaume, Timothy
Riley, Christopher
Keenan, William
Robert, Seth
Shilov, Dan
Simpson, Matthew
Weeman, Benjamin
Whelan, Jessica
Wyman, Donald
Yanosick, Shaun

Atkins Alumni

2006 - 2007
Altman, Brian
Anctil, Kristin
Antlitz, Christopher
Blais, Joseph
Briere, Jason
Case, Benjamin
Ciresi, Antonino
Cobb, Joshua
Conklin, Michael
Costanzo, Suzanne
Curtiss, Kevin
Dahl, Matthew
DeRosa, Kevin
Dietz, Katherine
Flaishins, Brad*
Foley, Ryan
Francis, Josh
Frazier, Ryan
Gray, Ryan
Grillo, Michael
Higgins, Josh
Hinchey, Ryan
Janetos, Lewis*
Jasie, Matthew
Shilov, Daniil
Simpson, Matthew
Weeman, Benjamin
Whelan, Jessica
Wyman, Donald
Yanosick, Shaun

2005 - 2006
Albright, Rachel
Almeida, Jonathan
Altman, Brian
Antlitz, Christopher
Berberian, Gregory
Blais, Joseph
Briere, Jason
Campbell, James
Case, Benjamin
Ciresi, Antonino
Cline, Daniel
Conklin, Michael
Dagostino, Andrew*
Dauphin, Alan
Dunn, Sarah*
Demers, Zachery
Fish, Michael
Flaishans, Brad
Flynn, Sean*
Forcier, Eric
Frazier, Ryan
Freiert, Max
Gagnon, Mallory
Johnson, Kelly
Kelliher, Sean
Kuziel, Elizabeth
Locke, Jamie
Longacre, Kevin
Marchand, Michael
Dufour, Nicholas
McKenzie, Padraic
Milillo, Peter
Moore, Tristan
Pease, Jared
Rosinski, Casey
Ross, Kyle
Scanlon, Partick*
Schou, Stephen
Singleton, Lucas
Simon, Nicholas
Solomon, Lauren *
Theroux, Aron
Vacca, Bradden
Walczak, Robert
Wason, Peter
Whigham, David
Winters, Jorday
Wu, Chia-Ling

2004 - 2005
Claise, Matt
Cody, Matthew*
Cook, David
Coughlin, Jeffrey
Dagostino, Andrew
Dausch, Kevin
Demers, Zachery
Doan, Jenny
Dowding, Kelly
Fessenden, Steven
Gagnon, Mallory
Gallant, Joseph
Gilligan, Micahed
Gomes, Geoffrey
Hutchins, Joshua
Hartley, Robert
Kennerson, Joe
Lavoie, Travis
Lowe, Samantha
Manzo, Francesco
McNamara, Bryan
McKenzie, Padraic
McManus, Phillip
Ogembo, Daniel
Owens, Jennifer
Ownens, Matthew
Routon, Nicholas
Savard, Steven
Scanlon, Patrick
Hustek, Jameson*
Sawyer, Christopher
Smith, Joshua
Solomon, Lauren
Szczurowski, Andrew
Tecce, Felice*
Travalini, Michael
Vacca, Bradden
Walczak, Robert
Warcewicz, Casey
Whitt, Keith
Wilkie, Meghan

How to Get Involved

How You Can Contribute:

The Peter T. Paul College of Business and Economics has developed into one of the premier public business schools in the country. As Paul or WSBE Alumni, UNH Alumni, or members of the investing community, you are encouraged to contribute to the Atkins Investment Group so that it may continue to grow and provide students the knowledge and experience necessary to succeed in the highly competitive professional arena.

By improving the quality of education through practical application, experiential learning, and mentorship, augmented by continued involvement from supporters of our Group, Atkins will allow students to attain valuable career opportunities.

If interested in discussing opportunities for involvement, please contact our Vice President of External Relations as well as our Academic Advisors Ahmad Etebari and Steve Ciccone. Please find the contact information listed below.

Ways To Contribute:

Your contributions make a significant impact on the future landscape of the Atkins Investment Group and the experience of our undergraduate students. As there are endless ways to assist, below are a few ways that have historically made a tangible and lasting impact.

- Contribute as a guest speaker
- Offer a mentorship program
- Offer internships or full time jobs to Atkins students
- Offer opportunities to visit place of work
- Donate money or resources to the Group

For Interested Students:

Contact our Executive Vice President, Michael O'Donnell at mje287@unh.edu for more information on the Group, the work we do, and ways to become involved.

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