

COUGAR FUND REPORTER

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From then till now

It started with a dream and people who supported this dream. With \$200,000 in cash and a group of students who are passionate about taking their learning to the next level, The Cougar Fund was born.

The Cougar Fund is CSU San Marcos' first ever student run Fund initiated by Dr. Andreas Rauterkus (Finance Department Chair) in Fall 2019. With support from the CSUSM Foundation Board and the COBA Dean's Office, the idea to create a unique investment experience for students was made possible.

The mission of the Cougar Fund is to provide undergraduate and graduate students with real world portfolio management and security analysis experience, enhance student/faculty recruitment, student job placement and development efforts along with generating funds for student scholarships and programs.

From the beginning till now, The Fund continues to carry out this mission and positively impact students each semester. By creating a community of students who are excited about investing and the stock market, our weekly meetings continue to foster innovation.

As CSUSM academics transitioned to online due to the COVID-19 pandemic so did the Cougar Fund. While the Fund struggled to gain participation during the Fall 2021 semester, our leadership team relentlessly worked hard enhance the Fund's growth. As the campus reopened and classes moved back on campus for Spring 2022 semester, our members preferred the flexibility of online meetings.

While still meeting online, The Fund made several on campus appearances including COBA's Student Organization Meet and Greet where we were able to recruit and connect with students along with increase exposure on what we do!

As another successful academic year comes to a close, I hope you celebrate our wins with us and continue reading on about the Fund's growth, dedicated leadership team and members along with our 3rd place win at the largest student run conference in the world.



Jamie Noriega
Chief Investment Officer

While I'm honored to push this dream forward and lead such an amazing group of students, I give thanks to James Kloss for sharing his passion of the Cougar Fund and pushing me to take on this opportunity.

Everyone who joins the team knows The Cougar Fund gives students more than a few lines on a resume. The community, experience and opportunities gained have allowed for doors to be opened and memorable connections to be made. As a graduating senior, having spent two years involved in the Fund, I'm sure I speak for all graduates when I say, *"we hope to leave it better than we found it, with our knowledge, dedication and guidance"*.

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Chief Accountant

This Spring semester, I have had the honor of taking over the Chief Accounting Officer position for the Cougar Fund. In this position, I oversee all aspects of the Fund's accounting, recordkeeping, and budgeting, including collecting financial data from brokerage statements

and trade confirmations and maintaining detailed spreadsheets and Fund performance metrics. I prepare oral and written reports to the Fund and its stakeholders, including annual and quarterly reports and meeting minutes.

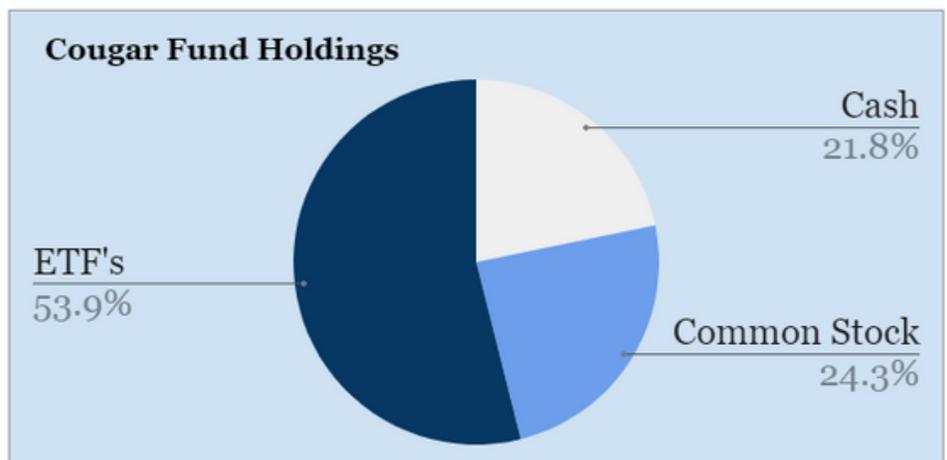
I have really enjoyed participating in the Fund as I have met many great students and professionals. I look forward to seeing the Fund continue to grow in the future as I pass on the role. The Fund made two stock purchases in the Spring 2022 semester and has one pending order for RMR Group Inc (RMR).

The Fund has had an ROI of 40.39% since 2019 when the fund first started. I consider this to be pretty good as the market has had many challenges over the recent years. The Fund has a core position of ETF's which has enabled stability in its growth. In addition, the fund is invested in common stock as well. The main goal for the future of the Fund is to be fully invested as we still have a fair amount of cash available in the Fund.

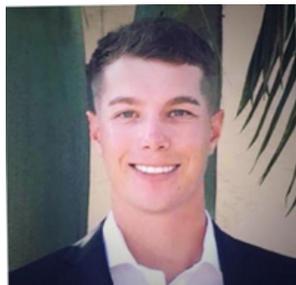
Throughout the semester, I have been so proud of the Cougar Fund Team. Together we have accomplished yet another successful semester. I look forward to seeing the Fund continue to grow next semester!

	Date Purchased	Position Size	Purchase
LPL Financial	12/14/2020	20	\$98.00
SPDR S&P 500 ETF Trust	3/16/2021	3	\$395.00
Sony Group Corp	3/19/2021	40	\$103.00
Dollar General Corp.	4/23/2021	30	\$212.00
Marvell Technology, Inc.	5/12/2021	100	\$42.00
Gilead Sciences, Inc.	9/16/2021	50	\$66.00
CVS Health Corp	9/17/2021	100	\$90.00
Lululemon Athletica Inc	12/2/2021	3	\$430.00
T-Mobile	4/11/2022	5	\$133.28
Lithium Americas Corp.	4/22/2022	100	\$27.58

Portfolio Performance Metrics	
Alpha	0.019
Beta	0.978
Treynor Ratio	0.118
ROI	34.17%
HPR	25.57%
Dividend Yield	3.71%
Expected Annual Return	10.67%
Average Annual Return	12.53%



Chief Economist Report: James Kloss



James Kloss
Chief Economist

As Chief Economist of the Cougar Fund, I provide the team with weekly economic updates, analysis and trends for sectors. Our sector weighting is closely monitored as we strive to outperform the S&P 500. With the use of Excel, we are able to track these changes and

collaborate with Portfolio Managers on when the best time to buy, hold and sell is.

As you can see the sectors underweight are Information Technology, Communications, Utilities, Consumer Discretionary and Staples. As a team we decided that with rising inflation, our next move was to keep the Information Technology and Communication sectors underweight in hopes to see short term and

long term results.

As we prepare for summer, our team will be closely tracking the market along with the external factors in order to allocate our sector weights effectively. The Fund strives to minimize risk and maximize return by following our Investment Policy Statement (IPS).

Weightings

Sector	Cougar Fund	SP500 12/01/21	Comparison
Materials	3.42%	2.56%	Over
Industrials	11.33%	7.90%	Over
Consumer Discretionary	10.30%	11.18%	Under
Consumer Staples	6.49%	7.05%	Under
Healthcare	16.84%	14.58%	Over
Financials	14.81%	9.89%	Over
Real Estate	2.80%	2.80%	Under
Information Technology	21.30%	27.48%	Under
Communication Services	6.26%	10.90%	Under
Energy	3.84%	2.53%	Over
Utilities	2.01%	3.13%	Under

Energy & Utilities: Zhanar Jerew



Zhanar Jerew

Since I became a Portfolio Manager for the Energy and Utilities sector in the fall of 2021, it has been one of the most interesting industries to follow. The Cougar Fund witnessed how the European natural gas shortage and the conflict between Russia and Ukraine

influenced the prices in this industry.

About one-third of Europe's gas comes from Russia, the world's largest gas exporter. In an effort to loosen Russia's grip on its gas supplies, the European Union has fostered a competitive import market for many years. As a result of the depletion of supplies, these efforts

have backfired and caused a continental energy crisis. Over the past decade, European governments and businesses have persuaded the bloc's main supplier, the Russian energy giant Gazprom PJSC, to replace long-term contracts tied to the price of oil with sales based on the current market price for gas. Due to this, EU members paid more than \$30 billion more for natural gas in 2021 than they would have under the oil-indexed price structure in place previously.

Our holdings comprise of SPDR Energy Select Sector ETF (XLE) and Vanguard Utilities Sector ETF (VPU). XLE has an unrealized HPR of 66.48%, while VPU has an unrealized HPR of 23.73%. While we closely track the geopolitical and economic factors, we hope to expand the portfolio in natural energy.

Industrials & Materials Sector: Adam Tracy



Adam Tracy

During this Spring semester, my position in the Cougar Fund was the portfolio of the Materials and Industrials sector which focuses mostly on companies like Exxon Mobil, Vale Mining, and Agnico Eagle Silver Mines just to name a few.

Although this was my first semester at the fund, I have already had a preexisting interest in the stock market as I traded options before ever since I turned 18 back in 2019. When I first started at the fund, it was a very welcoming environment where there were no wrong answers when it came to questions or concerns, the leadership was also very helpful to everyone first starting off at the fund which was a relief to see as the market can be a very tricky thing to get into.

My main contribution to the fund was taking the knowledge I had in options and helping add to the

knowledge base that the fund had already which further enriches the fund's value to others. I also pitched \$LAC, Lithium Americas, which is a well-established lithium mining company with little debt and overall great financials. With the electric vehicle industry only growing in the future, the fund and I thought it was a great idea to invest in for the long term so we bought 200 shares at \$27.5 a share. Year to date, \$LAC has seen an increase of stock price by 89.88% along with steadily increasing revenue.

My experience at the fund has been amazing so far and it has been a very good learning and networking opportunity for all of those involved with it, especially those who attended the GAME forum which is a panel event with finance industry professionals. As a final word, I would like to thank Jamie, James and Robert for inspiring me to become the CIO for next semester and I look forward to carrying on the legacy of the fund in the Fall of 2022!

Information Technology/Communications: Natasha Bhatnagar



The Information Tech Sector was hit hard by the COVID-19 pandemic. While technological advancements continue, we see higher wages, labor shortages and inflation negatively impacting many businesses.

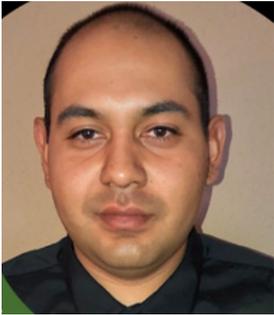
Natasha Bhatnagar

While the Fund holds a core position in ETF's, Vanguard Information Technology ETF (VGT) remains the largest percent of investment. We have an unrealized HPR of 57.95%. Our investments from last year to now continue to perform well including our purchase of Marvell

Technologies in May 2021 at \$42 a share. Marvell has done exceedingly well with an unrealized HPR of 25.33%. With volatile markets and rising inflation, our team conducted market research and decided that now is not the best time to invest in this sector.

Info Tech and Communications remain underweight even though the sector has an optimistic outlook with 5G cellular network, artificial intelligence and big data. In the Communications sector, we made a purchase of T-Mobile which will be explained in further detail on page 6.

Healthcare Sector: Gerardo Tinajero



Gerardo Tinajero

The healthcare sector became one of the most interesting sectors to follow during the COVID-19 pandemic. As the virus began to hit record peaks, and companies began to look for Covid-19 cures, investors became determined to take

advantage of the growing opportunities within healthcare. One thing that is certain, is that everybody needs, or will require healthcare in their lifetime. This created opportunities within the markets through different types of healthcare stocks.

The healthcare sector has a wide range of components, however, with the Cougar Fund, we identified and focused on the following stocks: drug stocks, medical device stocks, payer stocks, and healthcare provider stocks. Drug stocks relate to drugmaker companies that focus on developing drugs for treating diseases, such as the use of the new mRNA vaccines that were being used to offer COVID-19 vaccines. Medical device stocks include company devices that are used in the care of patients such as disposable gloves for surgical systems. One of the biggest components within the healthcare sector is payer stocks, and that includes health insurers. Insurers' role within the healthcare sector is to charge premiums to individuals and employers to pay for healthcare costs. We also focused on healthcare provider stocks, where we followed stocks related to healthcare providers that deliver healthcare services to patients. This typical service includes hospitals, physician practices, home health companies, and long-term care (LTC) facilities.

While analyzing these components within the healthcare sector, we focused on identifying the growth prospects to determine the growth of revenue within recent years. We also measured the financial strength to evaluate the profitability of the company and assess how the organization plans to achieve profitability and in how

much time they will achieve it. One of the most important aspects that we analyzed was the valuation of the stock. For this, we looked at the price-to-earnings (P/E) ratio to measure the price of the stock concerning its earnings per share. We also made sure to track stocks with dividend payments, as dividend payments boost the overall return you receive from owning a stock.

The current healthcare holdings that we have at the Cougar Fund are Vanguard Health Care ETF (VHT) and CVS Health Corp. Vanguard has increased in value since its initial purchase in 2019 at \$163.72, to its current market price of \$240.45. Since its purchase the fund has received a total of \$671.08 in dividend payments and contains an unrealized HPR of 51.69%. CVS Health Corp (CVS) was purchased in 2021, with an initial price of \$90 and it has since grown to a current market price of \$99.38. The CVS stock has provided the fund with a total amount of dividend payments equaled to \$160 and has an Unrealized HPR of 12.20% that the fund is expecting to grow. Currently, VHT has been our strongest performer in the healthcare sector with an unrealized gain of 51.69%. VHT is an ETF that the fund plans to hold for a longer period, while also analyzing potential stocks to purchase through the provided key indicators.

Looking into the upcoming years after the pandemic, healthcare stocks appear to be appealing long term investments. With the aging demographics on a global scale and the combination of advances in technology, there should be emerging opportunities within the healthcare sector that will provide adequate returns for investors.

Financials & Real Estate Sector: Altaf Safi



Altaf Safi

To begin with the Real Estate Sector, several real estate business operations are highly dependent on conditions affecting the commercial real estate industry. The general economic conditions in the United States such as the changes in inflation and increase

in interest rates have caused high property prices. Furthermore, the majority of the commercial real estate markets in the United States were significantly negatively impacted during the recession period that happened during the early stages of the COVID-19 pandemic.

Recently, the Central Bank announced to execute plans that will reduce \$9 trillion asset portfolio on the national level, another step to strengthen the policy and lower inflation rates. The Federal Reserve approved a rare half-percentage-point interest rate increase, the highest rate since 2000, in an attempt to reduce inflation that has been the highest for four decades. A policy had been enacted, allowing to raise the Central Bank's benchmark, federal-funds rate to a target range between 0.75% and 1%.

Changes in market interest rates can significantly reduce Real Estate Investment Trust companies revenues and delay their growth. Investors in the real estate industry typically decide whether to buy or sell the common shares of their Managed REITs based on the distribution rate and comparing the effect of the market interest rates on their shares.

Additionally, the real estate industry is subject to numerous regulations, contractual obligations, and internal policies. Regulations by the US SEC & Exchange, Nasdaq, and other federal, state and local or international governmental bodies and agencies or self-regulatory organizations, that protect and affect the companies within real estate industry.

For the Cougar Fund, before the financial market crashed, we were only holding the Fidelity MSCI Financials Index ETF (FNCL). Although our FNCL holdings fell in value with market changes, we remained steadfast in our diversified holdings and decided not to sell. As of May 2022, the FNCL holding has an unrealized HPR of 28.78%, for an unrealized gain of \$2,971.45.

Moving on to the Real Estate Sector, we have been holding, Jones Lang LaSalle (JLL) common stock since 2020. JLL, a commercial real estate company, provides real estate investment management services around the world. After voting passed on a pitch to buy JLL, we purchased 15 shares at \$147.99 per share. Today, the value of our shares have increased to \$186.92 per share. We plan to continue holding JLL, as it has provided a current unrealized HPR of 26.31% and \$583.95 in unrealized gains. We plan on buying more real estate and financials stocks as prices of properties are estimated to fall, bringing the market back in track for increased sales.

“As a woman in finance, it is a privilege to be working as a portfolio manager in the Cougar Fund. My presence in the Cougar Fund meetings and analytical skills will help bring great progress towards owning powerful positions in the male-dominated finance industry. The Cougar Fund is a great opportunity to apply my security analysis skills to real-life applications and through the investment fund.”

Overall, being part of the fund has helped develop my leadership skills, determine the entire process of stock purchases and market changes, and strengthen my technical expertise to kick-off the next level of my career.”

Quinnipiac GAME Forum XI



where students are able to network with leading industry professionals and participate in workshops.

Being held virtually this year, The Cougar Fund was selected to present via zoom to a small group of professionals to receive guidance and feedback moving forward. Our presenting team was Jamie Noriega, James Kloss and Robert Taylor.

With the support from our team members, we were proud to represent CSUSM. We were excited to see our third-place win in the Undergraduate Growth Portfolio category while competing against schools from around the world.

"I will always remember presenting our Portfolio in the Quinnipiac Game Forum with Jamie and James. It was amazing to see our portfolio be recognized. I look forward to seeing the Fund continue to grow next semester!" - Robert Taylor

3rd place

Undergraduate Growth Portfolio Category

This year The Cougar Fund competed in the Quinnipiac GAME Forum for the second time. The GAME Forum is the largest annual student run financial conference in the world,

Analyst Highlight: Alexandro Frias



I am glad to have joined the Cougar Fund during my first semester at the College of Business Administration. I have personally benefited greatly by having the opportunity to collaborate with brilliant students from varying Business

Alexandro Frias focuses and been exposed to diverse backgrounds offering a unique perspective. With this exposure, I have had ample opportunity for feedback, which has allowed me to grow my business fundamentals, such as, fundamental and technical analysis as well as presentation skills. I feel the Cougar Fund offers an

inclusive environment where individuals can go and share their minds on current events and how they may have larger effects. I encourage students who wish to build their skills, grow their network, and gain experience to learn more about the fund and become involved.

As an active fund, we monitor the market and shift resources as we deem fit. Recently, our communications holdings were underweight and so I was able to do some research and create a pitch for T-Mobile (TMUS). The idea came from personally being under the MetroPCS brand and seeing how T-Mobile has evolved over the years.

Member Highlight: Alexandro Frias *(continued)*

The firm holds strong positioning in terms of 5g capabilities, leading over competitors like Verizon and AT&T. Additionally, TMUS has demonstrated resilience, against the COVID-19 pandemic, with a 3% impact score. Inversely, T-Mobile has seen a 74.67% growth from the start of the pandemic in 2020. With stock price of \$75 in 2020 to current market price of approximately \$131. We see continued growth and may serve as a hedge for volatile times. We have a target price of \$167.77, seeing as the Fund implements long term buy and hold strategies.



Special Thanks

Special thanks to Dr. Rauterkus, for with his support and dedication no accomplishment from the Fund goes unnoticed.

Thanks to the Foundation Board & The Finance and Investments Committee for investing in the growth and development of CSUSM students.

Thank you, Dr. Cherry, for being so encouraging and supportive in our community.

Thank you, Dr. Jim Hamerly, for supporting the dream and always celebrating our accomplishments.

Thanks to all our alumni who dedicated countless hours towards the growth of the Fund

Thanks to our Fall 2021 & Spring 2022 Leadership team who went above and beyond

Last but not least huge thanks to all our new and returning members who are stepping up to push the Fund forward.

Happy to have kicked off our first ever *Cougar Fund Social* inspired by Gerardo Tinajero, Robert Taylor & James Kloss. While not all members are showcased in this picture, this is just the first of many!

Stone Brewing Escondido - May 14, 2022



Marketing Director



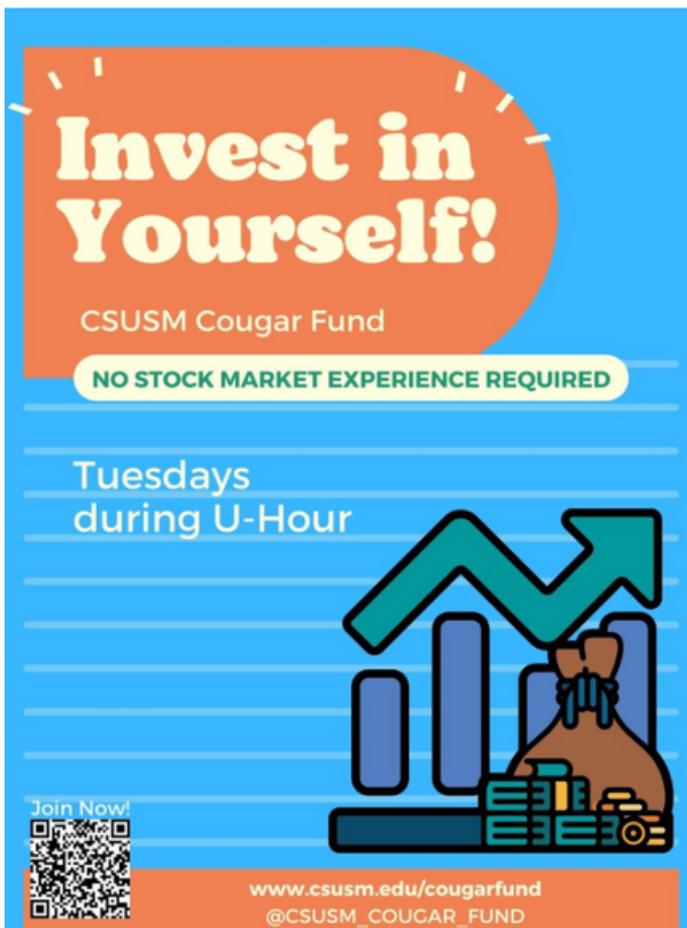
My name is Madele Flores and I am a Marketing student graduating Spring 2022. I am responsible for all marketing communications, including managing emails, social media, and new student outreach.

Madele Flores

Marketing Director

"As someone whose concentration is not as closely related to finance, I took on the role of the Marketing Director this semester because I believe that someone who truly understands marketing will be successful no matter the product."

Many changes were made to the Cougar Fund social media strategy to increase student participation this semester. Among those changes were more eye-catching weekly posts, encouraging student interaction, and interacting with local community college transfer centers to encourage new membership next semester.



Before



After



Throughout the Spring 2022 semester, Instagram reach increased by over 1000%, Account engagement by 200%, and followers increased by 13% compared to the previous semester.

Get Connected



Instagram:

@csusm_cougar_fund



LinkedIn:

The Cougar Fund

Website:

<https://www.csusm.edu/cougarfund>