

MAYER FUND OVERVIEW

RECRUITING PRESENTATION
DECEMBER 8, 2015

Mayer Fund Background

- Overview
 - The Mayer Fund is a student-managed investment fund with over \$3 million under management
- History
 - Started in 1993 by William Mayer, the then Dean of the business school, with \$250,000
 - Grown over the years through capital appreciation and outside contributions. Bill Mayer is one of the contributors
- Current Fund
 - 10 select second year MBAs run the fund using a top down investment approach
 - Every Portfolio Manager and Analyst develops financial acumen and benefits from the unique academic and professional opportunities available to Mayer Fund members



William E. Mayer

- *Professor and Dean of the Business School at UMD from 1992-1996*
- *Chair of the Maryland College Park Foundation*
- *Former CEO of First Boston*

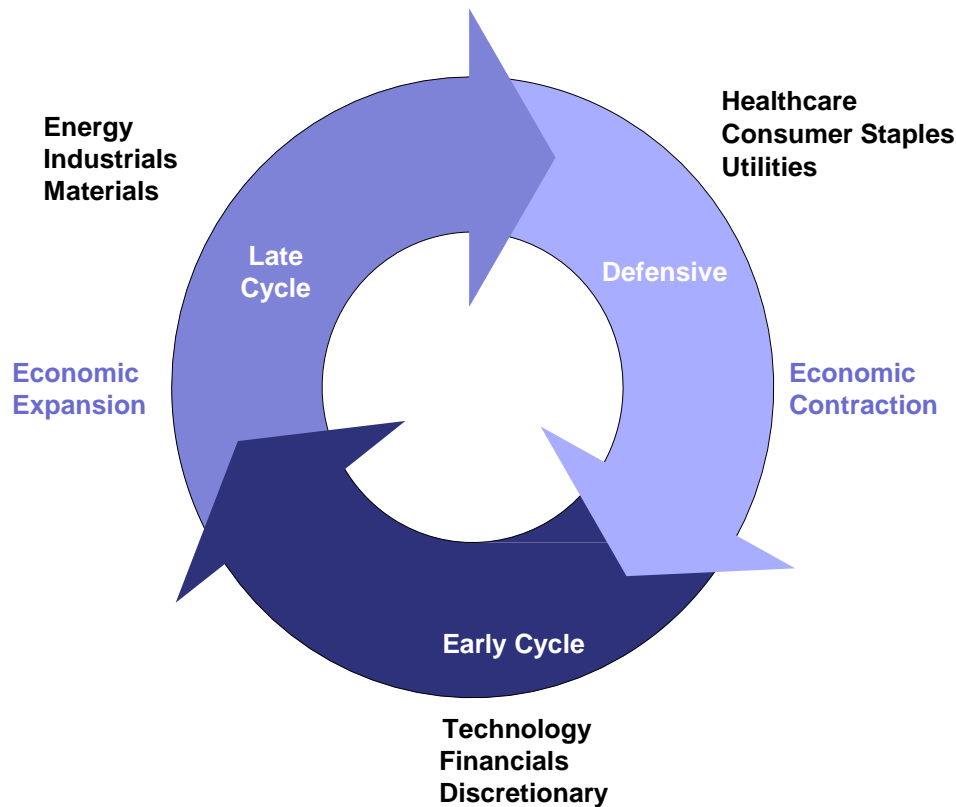
Objectives

- Achieve long-term growth of capital
- Maximize risk adjusted return
- Educational benefits for members
 - Experiential learning real world application of stock selection, equity analysis and portfolio management
- Enhance the reputation of the Smith School
 - Meetings with Wall Street and local finance professionals
 - Employment with world-class companies
- Provide a 4.5% annual dividend to Smith School

Approach and Organization

- Investment approach and strategy
 - “Top down” approach
 - Growth at a reasonable price (GARP)
 - Modeling intensive
 - Process driven
- Organization and culture
 - Run by a select group of second year MBA students
 - Selection based on analytical ability, knowledge of the capital market, passion for finance and most importantly the ability to work with others

Mayer Fund Investment Approach



- Analyze the macroeconomic environment and trends
- Develop and implement a macro viewpoint
- Use the viewpoint to guide industry and sector outlooks
- Drill-down to select best securities in each sector

Mayer Fund Class of 2016



Each year, the Mayer Fund attracts the top students from the MBA program to manage its \$3 million+ portfolio.

Structure of the Fund

- Two Portfolio Managers
- 8-10 Sector Analysts
- Analysts make four pitches over their tenure, one per term
- Buy / sell decisions must be unanimous (unique to the fund)
- New class fiscal year starts April 1st
- New class takes over fund in mid May
- Weekly updates still made over the summer

Portfolio Manager Responsibilities

- Market commentary
- Lead sector weighting decisions
- Facilitate buy / hold / sell decisions
- Track performance
- Run meetings
- Oversee brokerage accounts
- Budgeting responsibilities
- Manage external relations
- Administrative items

Market and Economic Update

I. Markets	Value on 12/2/2015	Value on 11/27/2015	Gain/(Loss)	%
Dow Jones Industrial Ave.	17,729.68	17,813.39	-83.71	-0.47%
NASDAQ Comp.	5,123.22	5,127.52	-4.30	-0.08%
S&P 500	2,079.51	2,090.11	-10.60	-0.51%
Mayer Fund	1,044.33	1,048.94	-4.61	-0.44%

II. Interest Rates	Yield for 12/2/2015	Yield for 11/27/2015	Change bps
3-Month T-bill	0.20%	0.17%	3.0
10-Year Note	2.18%	2.23%	-5
30-Year Bond	2.91%	3.00%	-9.0

Commentary:

The DJIA finished the week at 17,729.68. The S&P 500 finished the week at 2,079.51 and the NASDAQ finished at 5,123.22. The Fed Funds finished at 0.13%. The Prime Rate remained unchanged at 3.25% and the 3-Month LIBOR was 0.4222%. The yield on the 10-Year Treasury was lower at 2.180%. Crude oil prices were lower to \$40.10. Natural gas prices fell to \$2.175 per barrel. Gold prices fell to \$1,052.70. The US Dollar rose vs. the Euro with the Euro/Dollar exchange rate closing at 1.0615. The Yen fell slightly against the dollar with the Dollar/Yen exchange rate closing at 123.25.

In the news:



Hourly compensation up 3.4% as productivity picks up. – "Employers have been posting record numbers of job openings in recent months, and the unemployment rate has dropped to 5%, within a hair of 4.9%, the Fed's median estimate of full employment... On Wednesday, the Labor Department released new productivity and compensation figures showing that inflation-adjusted hourly compensation for the nonfarm business sector grew 3.4% in the third quarter compared with the same quarter a year ago, the

The Mayer Fund										as of 12/2/2015									
Total Sector Returns																			
Sector	MF	S&P	MF Sector	MF Sector	MF Sector	MF Sector	MF Sector	MF Sector	MF Sector	Company	Ticker	Price	Change	Weekly Return	Monthly Return	YTD Return	YTD Return	YTD Return	YTD Return
Consumer Discretionary	-109%	7.8%	2.8%	115%	Neutral	Neutral	Neutral	Neutral	Neutral	Tiffany & Co.	TIF	172	77.85	-2.26%	-0.8%	88.01	96.00	61,968.00	61,968.00
Consumer Discretionary										VF Corporation	VFC	123	65.47	0.23%	-0.8%	75.31	102.00	67,847.00	67,847.00
Consumer Discretionary										Home Depot Inc.	HD	89	133.81	-0.49%	15.1%	113.88	98.00	82,883.00	82,883.00
Consumer Discretionary										Advance Auto Parts Inc.	AAP	101	127.93	-4.39%	5.6%	149.69	27.00	91,121.00	91,121.00
Consumer Discretionary										Yum Brands Worldwide Corporation	YUM	95	76.11	-0.64%	-6.6%	89.26	85.00	72,854.00	72,854.00
Consumer Staples	644%	104%	9.90%	1150%	Neutral	Overweight	2.96%	2.96%	2.96%	Tyson Foods	TSN	9	50.58	0.06%	23.6%	41.02	120.00	80,508.00	80,508.00
Consumer Staples										White Wave Foods	WWAV	9	39.45	-1.25%	3.5%	41.04	122.00	60,812.00	60,812.00
Consumer Staples										The Clorox Company	CLX	41	124.35	0.67%	8.6%	110.39	75.00	82,384.00	82,384.00
Consumer Staples										The J. M. Smucker Company	SJM	9	120.82	-2.14%	6.0%	115.73	68.00	74,813.00	74,813.00
Consumer Staples										CBS Corporation	CBS	7	94.58	-0.44%	-0.3%	103.21	82.00	77,960.00	77,960.00
Energy	-2.47%	-4.00%	6.90%	644%	Neutral	Neutral	2.39%	2.39%	2.39%	Romac Companies plc (RDC)	RDC	109	39.96	-0.45%	8.7%	37.78	409.00	51,844.00	51,844.00
Energy										ENERGY SELECT SECTOR SPDR	XLE	170	66.44	-1.95%	-1.8%	69.33	96.00	62,822.00	62,822.00
Energy										Valero Energy Corporation	VLO	2	71.69	-1.12%	1.0%	62.72	129.00	52,150.00	52,150.00
Financials	-3.35%	14%	16.00%	1412%	Neutral	Neutral	2.94%	2.94%	2.94%	Marsh & McLennan Companies Inc.	MMC	8	55.83	0.79%	1.0%	54.34	118.00	81,887.00	81,887.00
Financials										Wells Fargo & Company	WFC	88	55.08	-0.56%	3.2%	54.47	134.00	81,402.00	81,402.00
Financials										Capital One Financial Corporation	COF	156	79.77	-0.59%	1.1%	79.30	185.00	93,342.00	93,342.00
Financials										BlackRock	BLK	121	358.92	0.35%	-0.7%	364.33	27.00	97,983.00	97,983.00
Financials										Sun Life of Canada Inc.	SLI	2	43.36	-0.37%	1.9%	42.54	139.00	60,400.00	60,400.00
Financials										United Life	ULI	190	45.49	-3.14%	-0.5%	52.70	140.00	65,300.00	65,300.00
Health Care	-122%	-168%	14.70%	16.72%	Neutral	Overweight	2.83%	2.83%	2.83%	Cigna	CI	122	139.74	3.28%	6.1%	131.71	74.00	101,171.00	101,171.00
Health Care										American International Group	AIG	118	98.85	-0.14%	-0.4%	111.31	102.00	84,978.00	84,978.00
Health Care										Thermo Fisher Scientific	TMO	97	126.75	-1.25%	1.7%	121.17	97.00	89,338.00	89,338.00
Health Care										Quest Diagnostics Inc.	DGN	59	68.69	-0.39%	-0.9%	74.97	142.00	97,845.00	97,845.00
Health Care										Pfizer Inc.	PFE	81	32.90	0.34%	0.9%	34.21	234.00	93,216.00	93,216.00
Health Care										Medtronic Inc.	MDT	9	74.11	-0.16%	-0.9%	77.99	198.00	91,979.00	91,979.00
Industrials	-23.87%	-162%	1.1%	658%	Underweight	Underweight	2.70%	2.70%	2.70%	Lockheed Martin Corporation	LMT	146	110.94	-3.99%	4.3%	109.33	44.00	96,522.00	96,522.00
Industrials										The Goodyear Tire & Rubber Company	GT	140	33.73	0.35%	-1.0%	58.00	190.00	67,822.00	67,822.00
Industrials										Chemours Inc.	CE	159	84.85	-0.66%	-0.5%	110.51	73.00	73,533.00	73,533.00
Information Technology	13.54%	7.06%	20.40%	21.58%	Neutral	Neutral	2.63%	2.63%	2.63%	Micro of Corporation	MFC	7	55.21	2.37%	37.4%	46.66	170.00	94,023.00	94,023.00
Information Technology										Cisco Systems Inc.	CSO	121	27.44	0.44%	2.0%	27.50	3.89.00	56,957.00	56,957.00
Information Technology										Apple Inc.	AAPL	151	126.28	-1.36%	-0.4%	124.43	940.00	89,338.00	89,338.00
Information Technology										Con Systems Inc.	CTSH	2	77.39	0.44%	20.5%	63.87	1367.00	80,126.00	80,126.00
Information Technology										Google Inc.	GOOGL	77	777.85	0.76%	3.0%	58.49	76.00	80,187.00	80,187.00
Information Technology										Capgemini Technology Solutions	CTSH	9	64.84	-1.07%	0.9%	68.08	137.00	56,802.00	56,802.00
Information Technology										Academy Sports & Outlets	ATVI	119	38.38	3.66%	23.5%	31.04	23.86.00	88,888.00	88,888.00
Information Technology										Via	VIA	1	110.79	-1.05%	2.9%	62.41	171.00	52,272.00	52,272.00
Materials	-6.63%	-7.18%	2.80%	1.88%	Underweight	Underweight	2.0%	2.0%	2.0%	Dow Chemical Company	DOV	171	12.19	0.54%	0.4%	79.40	75.00	17,897.00	17,897.00
Materials										Marathon Petroleum Corporation	MPC	9	25.96	-1.09%	-1.7%	19.78	86.00	29,380.00	29,380.00
Telecom. Services	7.09%	-1.54%	2.50%	1.83%	Underweight	Neutral	1.8%	1.8%	1.8%	AT&T Intellectual Property	T	2	33.56	-0.83%	7.3%	32.62	194.00	61,743.00	61,743.00
Utilities	-133%	-5.67%	3.1%	1.8%	Underweight	Underweight	1.3%	1.3%	1.3%	Sempra Energy	SRE	5	98.38	-1.26%	-1.5%	99.90	502.00	49,386.00	49,386.00
Equity Total			94.18%				94.18%											3,368.97	3,368.97
Cash			5.82%	0.54%			5.82%											20,092.11	20,092.11
100%										100%									
										Mayer Fund Return									
										1.4%									
										Value at 12/2/2015									
										\$73.42 Total									
										\$ 1,468,818.11									



Analyst Responsibilities

- Evaluate and monitor sector
- Track industry trends and current events
- Screen industry for potential buying opportunities
- Develop DCF and relative value models to value companies
- Make buy / hold / sell recommendations
- Pitch investment ideas

Analyst: Michael Buehler
Company: Cognizant Technology Solutions Corp.
Sector: Information Technology
Rating: Buy

Date: 11.05.2015
Industry: Software & Computer Services
Current Price: \$66.82
1 Yr Price Target: \$80.03

"24/7 Support, Cognizant of their client's needs"


- **Initiating coverage with a Buy and \$80.03 1-Year Price Target.**
- **Great Top Line Growth** – Cognizant has a CAGR of ~26% over the past five years, significantly separating it self from its peers.
- **Expansion into Healthcare IT** – With the acquisition of TriZetto beginning to bear fruit, Cognizant should expect to have quality growth in the Healthcare IT space, which will quickly replace Financial Services as their largest source of revenue.
- **Leveraging Out sourcing** – When clients become cost focused, Cognizant is able to separate itself from its peers by offering clients more offshore options.
- **Growth Overseas:** Quality growth in both developed and developing economies. (20% in Europe and 24% ROW)
- **Proposed Trade: Sell INTC...** It is an industry leader in an industry that is stagnant.

Highlights

	2013	2014	2015E	2016E	2017E
Revenues	\$8.84B	\$10.3B	\$12.42B	\$14.51B	\$16.62B
EBIT	\$1.67B	\$1.88B	\$2.59B	\$3.13B	\$3.67B
NI	\$1.23B	\$1.44B	\$2.01B	\$2.41B	\$2.83B

Profitability & Valuation

	2013	2014	2015E	2016E	2017E
EBITDA	18.97%	18.37%	20.87%	21.60%	22.12%
Margin					
ROE	20.2%	18.59%	20.60%	19.85%	18.84%



Trading Data

Historical Beta	1.14
Forward Beta	2.03
52 week high	\$50.17-69.80
Market Cap	\$41.53B
Shares Outstanding:	609M

Coverage


Number of Analysts	30
12 Month Mean Analyst PT	\$75.40
Institutional Holding	92%
Analyst Rating	1.7

Ratios

P/E Ratio (TTM)	26.32
P/E Ratio (Forward)	22.50
Est. 5-Year Growth	15.87%
PEG Ratio	1.32
ROE (TTM)	23.21%

Forecast Returns

Forecast Price Appreciation	19.77%
Market Return Assumption	8.00%
Forecast Excess Return	6.25%



Mayer Fund
Phone: (301) 405-7132

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Disclaimer:
This report is solely for the use of the Mayer Fund and is not to be construed as investment advice or to be used in any other manner by anyone other than the Mayer Fund.

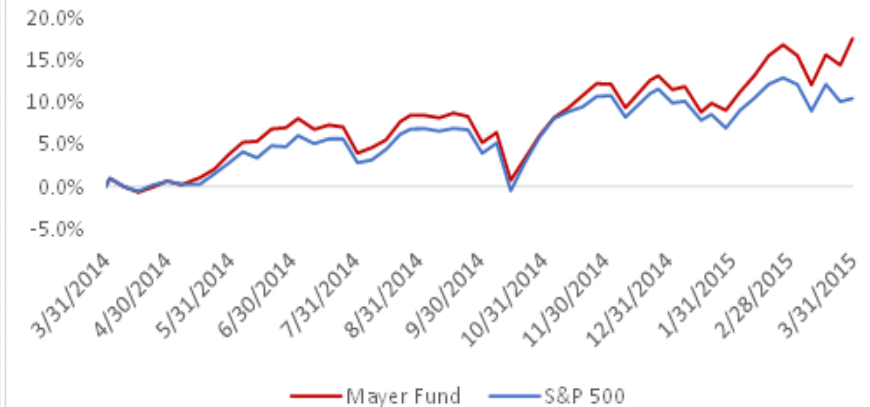
Performance Summary

Annualized Performance

- Mayer Fund's performance near S&P 500 over long-term
- Gap vs. benchmark has increased during last 12 months

Time Horizon	Mayer Fund	S&P 500	Dow
1-year	4.11%	0.25%	-1.66%
3-year	15.61%	13.85%	10.59%
5-year	11.42%	11.10%	9.13%
10-year	5.85%	5.16%	4.94%

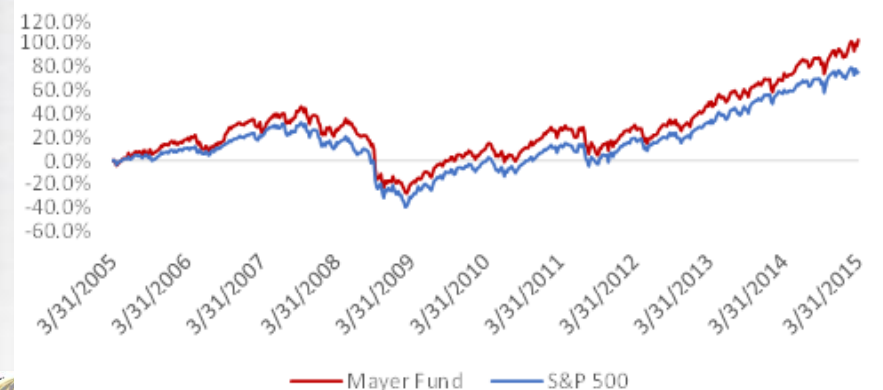
Class of 2015 Return vs. S&P 500



5-Year Return vs. S&P 500



10-Year Return vs. S&P 500



Typical Mayer Fund Member

- Enthusiastic, motivated to be on the Fund
- Dependable
- Team player
- Analytical thinker
- Effective communicator



Program Benefits

- Attractive experience to employers
- Exposure to a real-life asset management environment
- Financial modeling skills
- Opportunities to network
- Surrounded by really smart and ambitious people in a collegial setting
- Six credits during second year
- Hone communication and pitching skills



Testimonials

The combination of challenging quantitative analysis and presenting a business case make the Mayer Fund an experience like no other at Smith.

Trying to convince a group of your skeptical peers that you understand the markets is the best career preparation I've had.

I thought my modeling skills were good before the Mayer Fund. I was wrong.

The Mayer Fund has given me the confidence to overcome the obstacles I will face post-graduation.

MF IS the main reason I chose Maryland.
*MayerFund^{FinanceKnowledge*MBA} = Great Paying Job*

I've built personal and professional relationships in the Mayer Fund that will last a lifetime.

Great opportunity for experiential learning within the confines of a collegiate environment where members push each other towards achieving a collective success.

The Mayer Fund has been the highlight of my business school experience.

Having the opportunity to manage a sector for a multi-million dollar endowment fund was one of the reasons why I chose the Smith School.

December 8, 2015



Requirements

- Completed core and on track to graduate by May 2017
- Take BUFN 760 Applied Equity Analysis during 2nd semester of 1st year or 1st semester of 2nd year
- Be available during the day when team meets (twice a week during the day)
- Commit 14 months to the Fund (from March 2016 through May 2017)
 - Make effort to attend meetings with current members starting in March
 - Participate in the End of Year presentation in May 2016
 - Manage the Fund during the summer of 2016
- Submit application and interview in Jan/Feb 2016

Application

- Cover Letter
 - Brief background/experience
 - Reasons why you want to be in the Mayer Fund
- Stock Report (No more than three pages typed, not including exhibits)
 - Economic Overview
 - Industry Analysis
 - Company Selection & Analysis
- Honor Code (honor violations forwarded to honor committee)

Tips for stock report by Warren Buffet:

"I never buy anything unless I can fill out on a piece of paper my reasons. I may be wrong, but I would know the answer to that. "I'm paying \$32 billion today for the Coca Cola Company because..."

Application

- Resume
- Copy of Current Transcript
 - Unofficial printout from web is acceptable (must have all of your fall semester grades on it)
- List of Finance Electives (current and future expected)
- Sealed Envelope with your fund preference (If you apply to both the Mayer and New Markets funds, you must make a selection in case you are accepted to both.)

Deadline: Friday January 29, 2016 at 9AM*

***Email all files except preference to mayerfund@rhsmith.umd.edu**

***Subject Format: First_Last_Mayer_Fund_Application**

***Put the Sealed Envelope under the door of Sarah's office (VMH 4463)**

Interview

- Held on a Friday or Saturday (February 5 or 6, 2016)
- Lasts about 90 minutes
- Three separate interviews
 - Technical
 - Macro-economic and market
 - Behavioral
- Purpose is to assess:
 - How serious you are about being on the Fund
 - How well we think you'll get along with the other members
 - How well you think analytically
 - How well you communicate

Timeline

- Application Due: Friday, January 29, 2016, 9:00AM
 - Email all files except preferences to mayerfund@rhsmith.umd.edu
 - Slide preferences under the door of Sarah's office –4463 VMH
 - We will email you to confirm receipt
- First Round Selections: Wednesday, February 3, 2016
 - Decisions will be emailed
- Interviews Held: Either February 5th or 6th (Fri. or Sat.)
 - Various 90 minute time slots (behavioral-market-technical)
 - Team will announce which day interviews will be held once finalized
- Final Selections: Friday, February 12th, 2016
 - Decisions will be emailed

Words of Advice

- ***Start early!***
- Analysis should be qualitative and quantitative
- Be aware of dates and times, conflicts and deadlines.
 - Incomplete or late applications will impair your ability to be on the fund
 - Early submissions are welcomed
- Come prepared for interviews: behavioral, technical, markets
- Be informed, know what's going on in the markets (read the WSJ or your finance publication of choice), understand macro-economic factors, and have a viewpoint
- Be confident, we are looking for people who defend their arguments, show their knowledge, and sell themselves

Q&A

E-mail: talel.aissi@rhsmith.umd.edu