

Oberlin Student

# Finance & Investment Club

October 31, 2008

## OSFIC Progress Report for the 3rd Quarter of 2008

Prepared by Ruxanda Nedelciuc, co-chair

### 1. OSFIC OBJECTIVE

The student-run club seeks long-term growth of its endowment through investment in equity securities traded on domestic exchanges. The fund's investment goal is to outperform both on average and in most periods the S&P 500 benchmark.

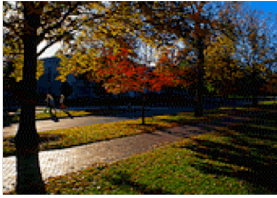
The club's primary purpose is to help Oberlin students develop investing skills and acquire a strong understanding of the financial markets. The students manage the portfolio through individual proposals and presentations at weekly meetings; no security is sold or bought without thorough research, team discussion, and subsequent voting.

### 2. RECENT PERFORMANCE

At the close of US markets on September 26, 2008, our portfolio's value was \$237,047. The table below highlights the details of the past quarter's and past year's performance.

	Q3 2008	YTD
<b>Absolute Growth</b>	-14.52%	-21.03%
<b>(Benchmark) Relative Growth</b>	-5.65%	3.01%

Given the current market conditions, we have incurred our first quarterly loss relative to the S&P 500 benchmark, due to a significant exposure to high-risk, growth stocks. Also, our large holding position in the troubled insurance giant, AIG, and the extreme devaluation of our



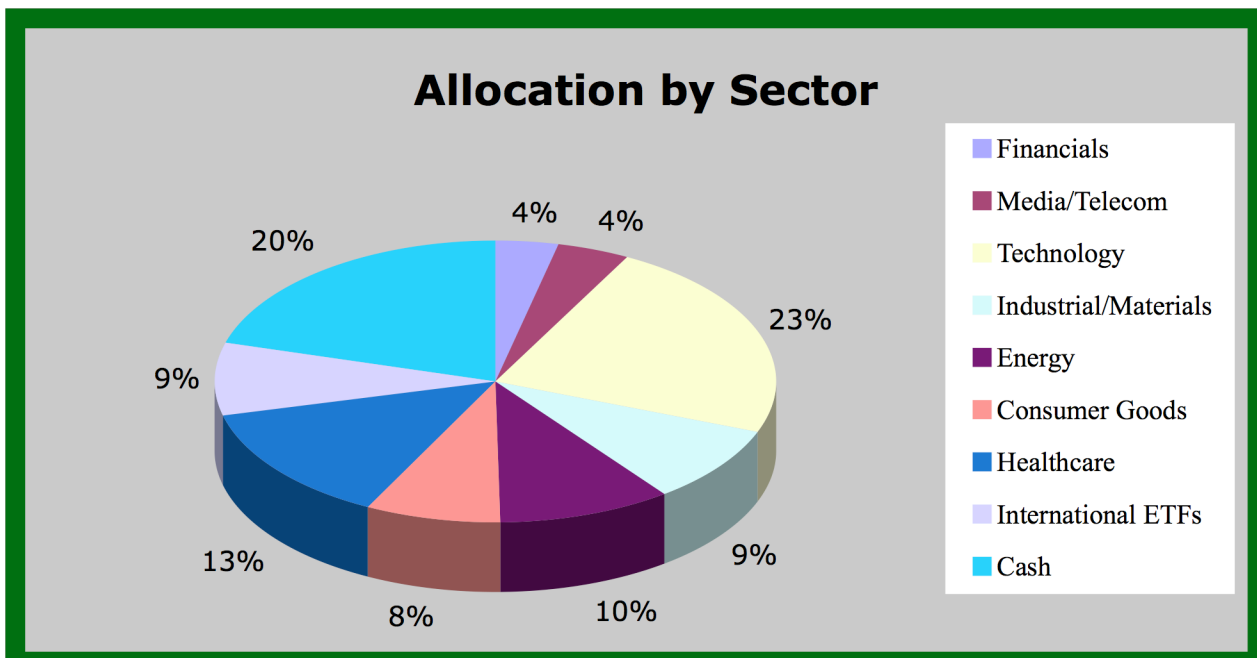
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all-time portfolio star, Petroleo Brasileiro (PBR), explain our weaker performance in the past quarter. We are beating yet our benchmark, the S&P 500 Index, on a yearly basis and we are work on regaining, throughout the next year, our portfolio's previous highs of over \$300,000.

### 3. DIVERSIFICATION





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## 4. TOP HOLDINGS

Asset	Portfolio Weight (%)
Cash	20.47
IBM	6.85
Amgen	6.31
Exxon	6.25
3M Company	5.93
Intel	5.28
Fiserv	4.74
ABB	4.29
<b>Aggregate Weight</b>	<b>60.12</b>

## 5. NEWS

With the purpose of managing our portfolio in a more active and dynamic approach, we are implementing a series of changes in organization and strategy. Starting this semester, each member is responsible for monitoring one portfolio holding; there are also teams of 2-3 people, assigned to focus on each sector. In addition, we put a higher emphasis on holding shares in companies with particularly strong economic moats and on acquiring them when they are cheap. Based on these criteria, we have purchased this semester shares in The ABB Group, a global leader in power and automation technologies.

Last, we look forward to hosting and learning from several speakers with successful careers in investment management and consulting, among whom is also our new advisor, Professor Jonathan Lipow (Visiting Associate Professor, Oberlin Economics Department).



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## 6. OFFICERS

**Co-chairs:** Ruxanda Nedelciuc (Junior; Mathematics, Economics)  
James Hepp (Senior; Economics)

**Treasurer:** Yolanda Walker (Senior; Economics)

**Secretary:** Jiayu Lin (Sophomore)

**Web-Master:** John Lindner (Senior; Economics, Mathematics)

**Analysts:** Ebenezer Amoh (Sophomore; Economics, Mathematics)  
Robert Chester (Junior; Economics)

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or Contact Us: [osfic@oberlin.edu](mailto:osfic@oberlin.edu)