

**Golden Griffin Fund
Canisius College
Annual Report
2018-2019**



Letter from the Director

The Golden Griffin Fund has just successfully completed its 16th year as a fund and experiential education program. The student analysts and I are pleased to present the third annual report to all our stakeholders and interested parties. Organized as a small/midcap fund in 2003 the fund now has an alumni base of over 180 student analysts that were accepted and completed the program. The success of program in producing industry-prepared financial analysts continues as the highly recruited graduates continue to find positions in capital markets and other branches of Finance. The goal of the Golden Griffin Fund is to prepare students to enter the industry as experienced securities analysts. They learn the analytical and soft skills that are in demand for wide a variety of positions in the field. This is done by analyzing and managing a “real-money” portfolio using professional analyst tools such as Bloomberg, Morningstar and S&P Capital IQ. The combination of theoretical foundation and practical analysis from industry professionals together have made the program unique. Canisius Golden Griffin Fund students continue to demonstrate success with its dominance in the CFA Institute Research Challenge. This year’s team just obtained the ninth consecutive local championship to add to a history that includes the 2015 global championship and this year’s achievement of another appearance in the Global finals (5 out of 1,150 schools globally).

On behalf of this year’s student analysts I would like to thank the Canisius community, including faculty, administration and other supporters. A special thanks goes to the Golden Griffin Fund alumni and the mentors for all their support in continuing to make this program more valuable and relevant each year.

ECONOMIC ENVIRONMENT

This year had no shortage of economic and political events that impacted the student’s security analysis. The records 11th year of economic expansion in the U.S. was a stable environment but the late cycle of this expansion started to impact the economic environment. The trade situation with the U.S. and China added to the uncertainty (especially as the news seem to change between good and bad often). The fiscal stimulus generated by the Tax Cut and Jobs Act had the effect of reducing corporate income tax to 21% (as well as reducing personal income taxes). This boosted GDP to over 3.0% in the U.S. and the resulting corporate profits in 2018 jumped over 20% for the S&P 500. This also contributed to the FOMC continue its path of raising interest rates with the fourth one in 2018 coming this past December. Expectations are for an economic slowdown as well as a single digit growth in corporate profits in 2019 and beyond. Job growth has slowed recently as well as global economic activity. It was against this backdrop that Fed Chairman Jerome Powell made remarks late last year that rate increases would continue that caused the market to react rather sharply. The environment can change quickly as currently, the expectation for rates are not only a pause in rate increases but a decrease of 25 or 50 basis points before summer ends.

EQUITY MARKETS

The return of volatility was the story for the last twelve months. The comments by Chairman Powell as well as other factors contributed to a significant market drop in the last quarter of last year. The S&P 500 fell by over 13.5% in the fourth quarter, with the lows coming on Christmas Eve. This resulted in the first negative year in the S&P 500 in almost a decade. The small and midcap asset classes had about the same result. The market has since recovered in the first half of 2019 with the best June monthly returns in over 80 years.

The S&P 500 is up over 18% year-to-date through 06/30. The Russell 2500, our primary benchmark, exhibited the same volatility and has a 1 year return of 1.77% for the period ending 6/30/18.

PORTFOLIO

The fund assets ending June 2019 totaled \$537,852. This came from an initial investment of \$200,000 and represents approximately an 8.0% average annual return since inception. The last twelve months were a roller coaster in terms of returns. With no cash flows in or out during the year the fund had a low of \$458,637 in December and the latest month represented a twelve month high. This is a change in value during the year was over \$79,000 and the fund standard deviation was almost 20%. The one year return of the fund ending June 30 was 5.98% which was helped by the 2019 YTD return of over 17%. The 1 year result handily bested the benchmark return of 1.77% mentioned above.

A couple of holdings that helped the fund in the last year were Church and Dwight (CHD) and Synopsis (SNSP) while detractors from performance included Lannett (LCI) and Rite Aid (RAD).

The portfolio had the following changes from July 2018-June 2019:

Analyst Changes:

The current cohort made the following changes to the portfolio during the year. They disposed of all of Church and Dwight (CHD) and McCormick (MKC) due to valuation. They also sold all of DaVita (DVA) and Lannett (LCI) due to poor growth estimates. They increased the holdings in the following securities in the fund: Digital Realty (DLR), Moelis and Company (MC), National Health Investors (NHI), Service Corp International (SCI) and Wyndham Hotels and Resorts (WH).

Additions:

As a result of the analyst reports and recommendations the following new securities were added to the fund:

Algonquin Power and Utilities (AQN)

Malibu Boats (MBUU)

Proofpoint (PFPT)

Simply Good Foods Company (SMPL)

Westwood Holdings (WHG)



CORPORATE ACTIONS

The only corporate action executed this year was a 1 for 20 reverse stock split in Rite Aid in April. At the time of this letter though AbbVie has entered into an agreement to purchase Allergan for \$63 billion in stock and cash, expected to close in early 2020.

I look forward to welcoming the next Golden Griffin Fund class for 2019-20 and continuing to develop highly regarded and recruited entry level industry professionals.

Steven A. Gattuso '87, MBA '88, CFA, CFP, CMA
Director, Golden Griffin Fund

Prospectus

The Golden Griffin Fund (GGF) is an investment-management course for both undergraduate seniors and MBA Finance students at Canisius College. The fund grew from its initial \$100,000 investment from the college's endowment and donors in 2003 and is now valued at more than \$500,000. The student-run fund is invested in over 30 individual stocks and three equity Exchange Traded Funds. It is specifically designed to educate students about the inner workings of the capital markets while providing them with real-world experiences in investment management and equity analysis.

Objectives

The Golden Griffin Fund (GGF) is a New York Limited Liability Company (LLC). The LLC Agreement governs operations of the Fund. The investment strategy of the fund is to invest at least 80% of its holdings in Mid/Small Cap US equities. The fund is long only and uses no leverage. The portfolio references the Russell 2500 as its benchmark. Securities must fall within the market capitalization range of the Russell 2500 at initial purchase but may be retained in the fund should its market capitalization grow beyond the Russell 2500 maximum.

Facilities

The Nelson D. Civello '67 Family Financial Services Lab at Canisius is a state-of-the-art technology facility that supports the college's business programs, especially finance and economics. Equipped with many of the same data analytical tools used on Wall Street, the Financial Markets Lab includes a four-color ticker display, which provides news headlines and current stock and index prices; four LCD panels, which connect to live market broadcasts or can be used by faculty to display teaching materials; and Smart Board technology. In addition, the facility has ten Bloomberg terminals, giving students access to cutting-edge financial information and analytics.

Portfolio (as of June 30th, 2019)

Company	Ticker	MARKET VALUE (\$)	SHARE OF PORTFOLIO
Consumer Staples			
RITE AID CORP REG SHS	RAD	\$296.37	0.1%
SIMPLY GOOD FOODS CO/THE	SMPL	\$5,056.80	0.9%
MONSTER BEVERAGE SHS	MNST	\$14,361.75	2.7%
		\$19,714.92	3.7%
Energy			
RANGE RESOURCES CORP DEL	RRC	\$698.00	0.1%
PLAINS ALL AMERN PIPL LP	PAA	\$3,774.25	0.7%
CLEAN HARBORS INC	CLH	\$6,327.90	1.2%
		\$10,800.15	2.0%
Industrial			
POLARIS INDUSTRIES COM	PII	\$4,105.35	0.8%
ALASKA AIR GROUP INC COM	ALK	\$14,060.20	2.6%
GARTNER INC	IT	\$11,265.80	2.1%
TORO CO	TTC	\$32,112.00	6.0%
		\$61,543.35	11.4%
Financial			
MOELIS AND COMPANY SHS A	MC	\$6,990.00	1.3%
PACWEST BANCORP	PACW	\$7,766.00	1.4%
READY ASSET GOV LIQ FD	MLRAX	\$43,545.43	8.1%
WEBSTER FINL CP PV \$0.01	WBS	\$5,493.55	1.0%
WESTWOOD HLDGS GROUP INC	WHG	\$5,632.00	1.0%
TCF FINANCIAL CORP COM	TCF	\$6,029.10	1.1%
		\$75,456.08	14.0%
Consumer Discretionary			
CEDAR FAIR DEP UNT LP	FUN	\$3,576.75	0.7%
DANA INC	DAN	\$3,988.00	0.7%
MALIBU BOATS INC SHS CL A	MBUU	\$5,244.75	1.0%
WYNDHAM HOTELS	WH	\$8,361.00	1.6%
WYNDHAM DESTINATIONS INC	WYND	\$3,380.30	0.6%
SERVICE CORP INTL	SCI	\$11,695.00	2.2%
UNDER ARMOUR INC CLASS C	UA	\$4,906.20	0.9%
UNDER ARMOUR INC CLASS A	UAA	\$5,577.00	1.0%
ULTA BEAUTY INC	ULTA	\$20,813.40	3.9%
		\$67,542.40	12.6%

Company	Ticker	MARKET VALUE (\$)	SHARE OF PORTFOLIO
Health Care			
ENCOMPASS HEALTH CORP COM	EHC	\$4,752.00	0.9%
ALLERGAN PLC	AGN	\$13,394.40	2.5%
DENTSPLY SIRONA INC	XRAY	\$5,836.00	1.1%
UNITED THERAPEUTICS CORP	UTHR	\$9,757.50	1.8%
		\$33,739.90	6.3%
Utilities			
ALGONQUIN PWR AND UTILITIES	AQN	\$4,844.00	0.9%
AMERICAN STATES WATER CO	AWR	\$17,305.20	3.2%
		\$22,149.20	4.1%
Information Technology			
PROOFPOINT INC	PFPT	\$5,411.25	1.0%
IHS MARKIT LTD SHS	INFO	\$18,096.48	3.4%
SYNOPSYS INC	SNPS	\$16,086.25	3.0%
		\$39,593.98	7.4%
Real Estate			
NATL HEALTH INVS INC REIT	NHI	\$11,704.50	2.2%
W P CAREY INC COM	WPC	\$6,088.50	1.1%
DIGITAL RLTY TR INC	DLR	\$15,901.65	3.0%
		\$33,694.65	6.3%
Stock Total		\$364,234.63	67.7%
ETF			
ISHARES RS 2000 VALUE	IWN	\$21,569.50	4.0%
ISHARES RUSSELL MIDCAP VALUE	IWS	\$41,445.45	7.7%
ISHARES RS 2000 GROWTH	IWO	\$100,234.13	18.6%
ETF Total		\$163,249.08	30.4%
Cash Balance		\$10,368.04	1.9%
Total		\$537,851.75	100%

2018-2019 Analysts



Jenna Beck '19

Monitor: Toro Co (TTC), Clean harbors (CLH)

Target Company: Malibu Boats Inc. (MBUU)

Committee: Marketing & Public Relations



Brandon Bork '19

Monitor: Wyndham Hotels & Resorts Inc. (WH), Wyndham Destinations Inc. (WYND)

Target Company: Westwood Holdings Group Inc. (WHG)

Committee: Legal & Compliance



Jason Brick '19

Monitor: Alaska Air (ALK), American States Water (AWR)

Target Company: Vail Resort (MTN)

Committee: Development & Advancement



Nicholas Capitano '18

Monitor: Synopsys (SNPS), HIS Markit (INFO)

Target Company: Proofpoint. (PFPT)

Committee: Audit & Accounting



Mohamed Diyani '19

Monitor: PacWest Bancorp (PACW), TCF Financial Corporation (TCF)

Target Company: Mercury Systems, Inc. (MRCY)

Committee: Development & Advancement



Amanda Gattuso '19

Monitor: Ulta Beauty (ULTA), Cedar Fair (FUN)

Target Company: Simply Good Food (SMPL)

Committee: Marketing & Public Relations



Allison Jennings '19

Monitor: Allergan plc (AGN), Lannett Company (LCI)

Target Company: Quest Diagnostics (DGX)

Committee: Legal & Compliance



Jennifer Keefer '19

Monitor: Church & Dwight (CHD), Service Corporation (SCI)

Target Company: Martin Marietta (MLM)

Committee: Audit & Accounting



Moritz Kretschmer '18

Monitor: Monster Beverage Corp (MNST), McCormick & Company (MKC)

Target Company: LHC Group (LHCG)

Committee: Marketing & Public Relations



Michael Maiorana '19

Monitor: Gartner (IT), Digital Realty Trust (DLR)

Target Company: Molson Coors Brewing (TAP)

Committee: Portfolio Reporting & Management



Luke McCoy '18

Monitor: DaVita (DVA), Encompass health (EHC)

Target Company: Tiffany & Co (TIF)

Committee: Development & Advancement



Kyle Montante '19

Monitor: WP Carey Inc. (WPC), National Health Investors Inc. (NHI)

Target Company: Hexcel Corp (HXL)

Committee: Portfolio Reporting & Management



Alexandra Pfeifer '19

Monitor: Moelis & Co (MC), Webster Financial (WBS)

Target Company: Algonquin Power & Utilities Corp (AQN)

Committee: Audit & Accounting



Ryan Smith '19

Monitor: Polaris Industries Inc.(PII), Dana Inc. (DAN)

Target Company: Columbia Sportswear (COLM)

Committee: Legal & Compliance

2018 CFA Research Challenge

Canisius College has competed in the world-wide CFA Research Challenge with great success. For three straight years, Canisius teams have reached the highest levels of the competition, culminating in a 2015 global championship, and finishing in the top 5% of all schools competing in 2016, 2017, 2018 and 2019. Furthermore, Canisius has won the local WNY Research Challenge for nine straight years.



Members (left to right): Alexandra Pfeifer '19 (Captain), Allison Jennings '19, Jennifer Keefer '19, Michael Maiorana '19

Subject Company: Astronics Corporation (Nasdaq: ATRO)

Astronics Corporation is a leading provider of advanced technologies to the global aerospace, defense and electronics industries. The products and services include advanced, high-performance electrical power generation, distribution and motion systems, lighting and safety systems, avionics products, systems and certification, aircraft structures and automated test systems.

WNY Research Challenge (February 18th, 2019)
Buffalo, New York

The WNY CFA Research Challenge was jointly hosted at Niagara University by the CFA Societies of Buffalo and Rochester. The Canisius College team emerged in first place for the 9th straight year and won against SUNY Oswego in the final.

America's Regional & Global Finals (March 23rd – 25th, 2019)
New York City, New York

After advancing, the team competed in the America's Regional Finals in New York City, NY. There, the team placed first and advanced to the global competition where they competed against the best four teams from all over the world before losing to Ateneo de Manila University.

Canisius College's reputation in finance circles around the globe continues to rise as a result of the college's consistently strong performance in the CFA Research Challenge. In fact, Canisius College is still the only team from North America to have won the Global CFA Research Challenge (2015). The Golden Griffin Fund community looks forward to the success of future teams.



FY19 Income Statement



Golden Griffin Fund, LLC

**2001 Main Street
Buffalo, NY 14208**

Income Statement July 01, 2018 - June 30, 2019

Acct. ID and Name	Period July 01, 2018 June 30, 2019
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Income

Dividend	116.80
Interest	638.34
LTCG	28,630.86
Qualified dividend	6,679.30
Tax free income	470.19
Unrealized Gain	-6,435.78
Total for Income	30,099.71

Expense

Commissions and Fees	-65.00
Total for Expense	-65.00

Total for Income & Expense

30,034.71

FY19 Balance Sheet



Golden Griffin Fund, LLC

**2001 Main Street
Buffalo, NY 14208**

Balance Sheet as of June 30, 2019

Account Name	Balance
ASSETS	
Cash & Equivalents	53,913.47
Investments (Long)	483,938.28
Total for ASSETS	537,851.75
LIABILITIES	
Total for LIABILITIES	0.00
EQUITY	
Capital accounts - partners	537,851.75
Total for EQUITY	537,851.75
Total LIABILITIES & EQUITY	537,851.75
Total Number of Units Held	32.06
Net Asset Value per Unit	16,779.00