

**Golden Griffin Fund  
Canisius College  
Annual Report  
2019-2020**

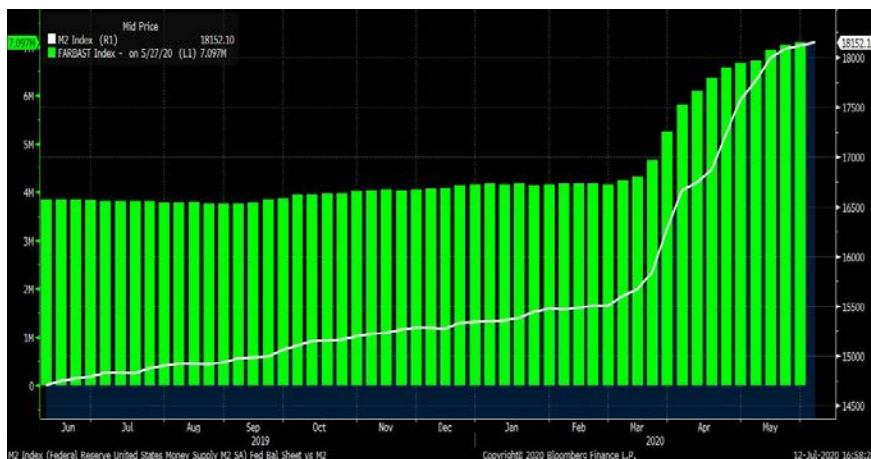


## Letter from the Director

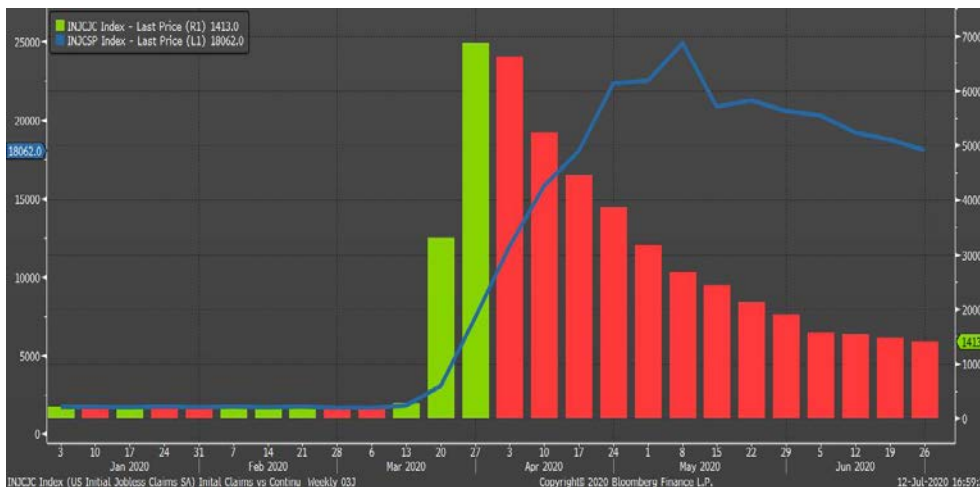
The Golden Griffin Fund has just successfully completed its 17<sup>th</sup> (and most unusual) year as a fund and experiential education program. The student analysts and I are pleased to present the fourth annual report to all our stakeholders and interested parties. Organized as a small/midcap fund 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 an unprecedented TENTH consecutive local championship to add to a history that includes the 2015 global championship and 2019 Americas’ Co-Champions and Global finalists (5 out of 1,150 schools globally). This year’s team also advanced to the Americas’ Finalist bracket despite the significant challenge of the local and regional competition being virtual rather than in person. In fact, the last six weeks of the semester and the final presentations were virtual. One benefit of this was that out of town GGF Alumni were able to participate this year, which is something that I hope can continue even when we are back to live presentations.

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 dedication in continuing to make this program more valuable and relevant each year.

## ECONOMIC ENVIRONMENT



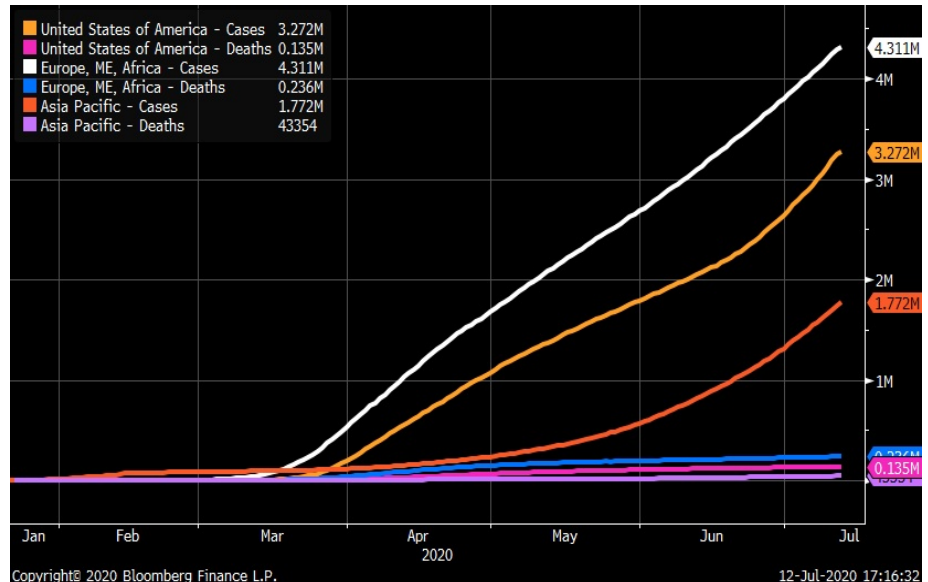
The fiscal year started off benignly enough with the U.S. economy continuing its record long expansion with historically low unemployment and continued job strength. There were a few challenges, including a slowing economy and the specter of continued trade tensions, especially with China. This prompted the FOMC to decrease overnight rates by 25 basis points three times starting in August. These preemptive cuts were executed to offset trade related slowdowns. The end of the fiscal year would see unprecedented economic, social and market events. The COVID-19 virus has dominated headlines as well as economic and market events since the first U.S. cases in Washington state in February. This fast moving story, saw unprecedented reaction once the severity was known. The FOMC immediately dropped overnight rates to zero, where they are projected to stay for the foreseeable future, and embarked on several liquidity providing programs. The massive liquidity was instrumental in calming jittery fixed income markets but also significantly increased the money supply (chart – green bars) as the Federal Reserve resumed massive treasury bond purchases (chart – white line).



In addition, the lowest unemployment rate in about 50 years was replaced by historic massive job losses with initial unemployment claims of 6 million starting in March and have yet to drop below 1 million per week (chart – bars). There are currently about 18 million still collecting continuing unemployment benefits (chart – blue line). The unemployment data may also be impacted by the

Payroll Protection Program (PPP). This is one of the many programs that was part of the \$2.3 trillion fiscal stability program (CARES Act) which paid employers to keep employees on payroll temporarily. These ‘furloughed’ workers may not be considered ‘unemployed’ in the traditional sense and may not be in the data.

The unprecedented impact of the virus and subsequent lockdowns affected almost all areas of the economy: restaurants and leisure, airlines, cruise lines and even energy were impacted as oil futures briefly went negative. The virus created such uncertainty that 180 companies in the S&P 500 suspended guidance for the rest of the year. This is the backdrop against which the student analysts had to project future cash flows for their target company recommendations. Even today a relapse of the first wave of the virus continues and, while the mortality seems to be improving with better treatment options, known cases in the U.S. have surpassed 3 million while Europe and Asia Pacific have seemed to get the virus under better control. Finally, the prospect of the U.S. presidential election may also have potential economic impacts in the near future.



## EQUITY MARKETS

Once again this looks to be a tale of two periods. The market indices below show the different capitalizations of the S&P 500 (red line) as well as mid cap, small cap and the fund benchmark of the Russell 2500 (white line). As you can see, by the end of 2019 the market was still on a general trajectory up. Once the virus and its resulting lockdowns were a reality, U.S. equities saw a sharp decline down and now a subsequent recovery. The S&P 500 experienced the quickest decline and the quickest recovery in its history. Many are trying to rationalize the markets significant recovery in light of so much uncertainty surrounding the virus and subsequent recovery. Although the S&P 500 is actually up from its July 1, 2019 level all other indices are below their 07/01/19 levels. The Russell 2500 is down by approximately 6.7% from that time and is down



about 11% year-to-date. Even within the S&P 500 the index owes its gains to a very narrow list of stocks and growth continues to significantly outperform value across all capitalizations.

## PORTFOLIO

The fund assets ending June 2020 totaled \$514,105. This came from an initial investment of \$200,000 and represents approximately an 8.0% average annual return since inception. Over the past fiscal year the portfolio reach a high value of \$567,101 on December 31, 2019 and has recovered from a low of \$436,559 on March 31, 2020. The FY performance of the fund is -4.4% as compared to the Russell 2500 at -6.7%.

The portfolio had the following changes from July 2019-June 2020:

### Analyst Changes:

The current cohort made the following changes to the portfolio during the year. They disposed of the entire position in Rite Aid (RAD) and Westwood Holdings (WHG) due primarily to growth prospects and poor performance. Toro (TTC) was also trimmed so that it fell below the 5% position limit.

### Additions:

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

**ConMed Corp (CNMD) – Health Care**  
**Graphic Packaging Holding Inc (GPK) – Materials**  
**Genuine Parts Co (GPC) – Consumer Discretionary**  
**Martin Marietta Materials (MLM) - Materials**

One of the purchases was from the 2019 GGF recommendation which was on a watch list.





## CORPORATE ACTIONS

The only corporate action executed this year was the completion of the AbbVie purchase of Allergan in May for \$63 billion in stock and cash. The fund now owns 69 shares of Abbvie in and received a cash payment of \$9,624.

I look forward to welcoming the next Golden Griffin Fund class for 2020-21 and continuing to develop highly regarded and recruited entry level industry professionals. Also hoping we are back to a more normal environment sooner rather than later!

**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 30, 2020**

Company Name	Ticker	Market Value (06/30/20)	Market Value (06/30/19)	Increase (Decrease)	Share of Portfolio (as of June 30, 2020)
ALASKA AIR GROUP INC	ALK	7,977	14,060	(6,083)	1.6%
ALGONQUIN POWER & UTILITIES	AQN	5,176	4,844	332	1.0%
AMERICAN STATES WATER CO	AWR	18,085	17,305	780	3.5%
CEDAR FAIR LP	FUN	2,062	3,577	(1,515)	0.4%
CLEAN HARBORS INC	CLH	5,338	6,328	(990)	1.0%
DANA INC	DAN	2,438	3,988	(1,550)	0.5%
DENTSPLY SIRONA INC	XRAY	4,406	5,836	(1,430)	0.9%
DIGITAL REALTY TRUST INC	DLR	19,185	15,902	3,283	3.7%
ENCOMPASS HEALTH CORP	ENC	4,645	4,752	(107)	0.9%
GARTNER INC	IT	8,493	11,266	(2,773)	1.7%
IHS MARKIT LTD	INFO	21,442	18,096	3,346	4.2%
MALIBU BOATS INC - A	MBUU	7,013	5,245	1,768	1.4%
MOELIS & CO - CLASS A	MC	6,232	6,990	(758)	1.2%
MONSTER BEVERAGE CORP	MNST	15,597	14,362	1,235	3.0%
NATL HEALTH INVESTORS INC	NHI	9,108	11,705	(2,597)	1.8%
PACWEST BANCORP	PACW	3,942	7,766	(3,824)	0.8%
PLAINS ALL AMER PIPELINE LP	PAA	1,370	3,774	(2,404)	0.3%
POLARIS INC	PII	4,165	4,105	60	0.8%
PROOFPOINT INC	PFPT	5,000	5,411	(411)	1.0%
RANGE RESOURCES CORP	RRC	563	698	(135)	0.1%
SERVICE CORP INTERNATIONAL	SCI	9,722	11,695	(1,973)	1.9%
SIMPLY GOOD FOODS CO/THE	SMPL	3,902	5,057	(1,155)	0.8%
SYNOPSYS INC	SNPS	24,375	16,086	8,289	4.7%
TCF FINANCIAL CORP	TCF	4,325	6,029	(1,704)	0.8%
TORO CO	TTC	23,882	32,112	(8,230)	4.7%
ULTA BEAUTY INC	ULTA	12,205	20,813	(8,608)	2.4%
UNDER ARMOUR INC-CLASS A	UAA	2,143	5,577	(3,434)	0.4%
UNDER ARMOUR INC-CLASS C	UA	1,954	4,906	(2,952)	0.4%
UNITED THERAPEUTICS CORP	UTHR	15,125	9,758	5,367	2.9%
WEBSTER FINANCIAL CORP	WBS	3,290	5,494	(2,204)	0.6%
WP CAREY INC	WPC	5,074	6,089	(1,015)	1.0%
WYNDHAM DESTINATIONS INC	WYND	2,170	3,380	(1,210)	0.4%
WYNDHAM HOTELS & RESORTS INC	WH	6,393	8,361	(1,968)	1.2%
<b>Subtotal</b>		<b>266,797</b>	<b>301,367</b>	<b>(34,570)</b>	<b>51.9%</b>

Continued on next page

Company Name	Ticker	Market Value (06/30/20)	Market Value (06/30/19)	Increase (Decrease)	Share of Portfolio (as of June 30, 2020)
<b><u>Portfolio Companies Recently Purchased</u></b>					
ABBVIE INC*	ABBV	6,774	0	6,774	1.3%
CONMED CORP	CNMD	5,399	0	5,399	1.1%
GENUINE PARTS CO	GPC	5,218	0	5,218	1.0%
GRAPHIC PACKAGING HOLDING CO	GPK	4,197	0	4,197	0.8%
MARTIN MARIETTA MATERIALS	MLM	5,164	0	5,164	1.0%
<b>Subtotal</b>		<b>26,752</b>	<b>0</b>	<b>26,752</b>	<b>5.2%</b>
<b><u>Portfolio Companies Recently Sold</u></b>					
ALLERGAN PLC*	AGN	0	13,394	(13,394)	0.0%
RITE AID CORP	RAD	0	296	(296)	0.0%
WESTWOOD HOLDINGS GROUP	WHG	0	5,632	(5,632)	0.0%
<b>Subtotal</b>		<b>0</b>	<b>19,322</b>	<b>(19,322)</b>	<b>0.0%</b>
<b>Portfolio Company Total</b>		<b>293,549</b>	<b>320,690</b>	<b>(27,141)</b>	<b>57.1%</b>
<b><u>Exchange Traded Fund (ETF)</u></b>					
ISHARES RUSSELL 2000 GROWTH	IWO	103,228	100,234	2,994	20.1%
ISHARES RUSSELL 2000 VALUE	IWN	17,445	21,570	(4,125)	3.4%
ISHARES RUSSELL MID-CAP VALU	IWS	<u>35,586</u>	<u>41,445</u>	<u>(5,859)</u>	<u>6.9%</u>
<b>ETF Total</b>		<b>156,259</b>	<b>163,249</b>	<b>(6,990)</b>	<b>30.4%</b>
<b>Cash Balance*</b>		<b>64,295</b>	<b>53,913</b>	<b>10,382</b>	<b>12.5%</b>
<b>Portfolio Total</b>		<b>514,103</b>	<b>537,852</b>	<b>(23,749)</b>	<b>100%</b>
*The portfolio received 69 shares of AbbVie and cash of \$9,624 in exchange for shares of Allergan					

## 2019-2020 Analysts



### Justin Begley '20

B.S. Finance & Economics

Monitors:

Allergan (AGN) - HOLD  
Untd. Therapeutics  
(UTHR) - HOLD

Target Company:

ConMed Corp. (CNMD)  
BUY  
Target Price: \$104.20

Attending Florida State  
University to pursue a Ph.D.  
in Economics

### David Hanes '20

B.S. Finance & Economics

Monitors:

Algonquin (AQN) - HOLD  
American States Water  
(AWR) - HOLD

Target Company:

Reliance Steel (RS)  
DO NOT BUY  
Target Price: \$95.00

Attending Canisius for an  
MBA in Finance. Research  
analyst at Bailey Financial



### Mitch Francemone '20

B.S. Finance

Monitors:

Polaris Ind. (PII) - HOLD  
Malibu Boats  
(MBUU) - HOLD

Target Company:

Boyd Gaming (BYD)  
DO NOT BUY  
Target Price: \$14.98

Working in Retail Banking  
and Wealth Management at  
HSBC

### Michael Kerr '20

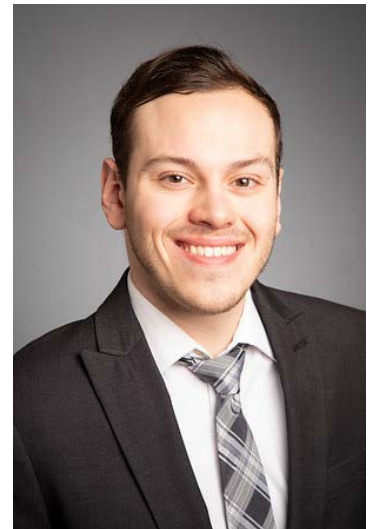
B.S. Finance & Economics

Monitors:

HIS Markit Limited  
(INFO) - HOLD  
Westwood Holdings Group  
(WHG) - SELL

Target Company:

Dolby Laboratories (DLB)  
DO NOT BUY  
Target Price: \$60.00



### Spencer Griffin '20

B.S. Finance & Economics

Monitors:

Wyndham Hotels  
(WH) - HOLD  
Wyndham Destinations  
(WYND) - HOLD

Target Company:

Crown Holdings (CCK)  
DO NOT BUY  
Target Price: \$56.62

Attending Boston College to  
pursue an MS in Finance

### Alicia Larsson Vahlberg

B.S. Finance & Economics

Monitors:

Monster (MNST) - HOLD  
Simply Good Foods  
(SMPL) - HOLD

Target Company:

Masimo (MASI)  
DO NOT BUY  
Target Price: \$150.00

Attending Stockholm  
University for Computer  
and Systems Sciences





**Amanda Nastevski '20**

M.S. in Finance with focus  
on Investment Research

**Monitors:**

Ulta (ULTA) - HOLD  
Rite Aid (RAD) - SELL

**Target Company:**

Tapestry Inc. (TPR)  
DO NOT BUY  
Target Price: \$14.84

Working for Citi Group for  
as a Credit Derivatives  
Middle Office Analyst

**Nick Stinson '20**

B.S. Finance & Economics

**Monitors:**

W.P. Carey (WPC) - HOLD  
Nat'l Health Investors  
(NHI) - HOLD

**Target Company:**

Genuine Parts (GPC)  
BUY  
Target Price: \$84.12

Working as a financial  
advisor with Northwestern  
Mutual.

**Cam Rosenecker '20**

MBA in Accounting

**Monitors:**

Moelis (MC) - HOLD  
Webster Financial  
(WBS) - HOLD

**Target Company:**

Callaway Golf (ELY)  
BUY  
Target Price: \$17.32

Working for the  
Government Accounting  
Standards Board

**Luca Zambito '20**

B.S. Finance & Economics

**Monitors:**

Alaska Air (ALK) - HOLD  
The Toro Company  
(TTC) - HOLD

**Target Company:**

Graphic Packaging. (GPK)  
BUY  
Target Price: \$15.48

Working for Citi Group as  
an Equities Product Control  
Analyst

**Andrew Sagun '20**

B.S. Finance, Eco., & Mkt.

**Monitors:**

Encompass (EHC) - HOLD  
Dentsply Sirona  
(XRAY) - HOLD

**Target Company:**

Performance Food (PFGC)  
BUY  
Target Price: \$30.50

Working for FIFCO USA as  
a reporting analyst in Sales  
Operations

## 2019 – 2020 CFA Institute Research Challenge

Click: [Team Video & Report](#)

OR paste: [https://drive.google.com/drive/folders/1CVOF9POYVzf\\_wIpUJe1mdKqC0QZAEXIs?usp=sharing](https://drive.google.com/drive/folders/1CVOF9POYVzf_wIpUJe1mdKqC0QZAEXIs?usp=sharing)

The Canisius College Team (pictured below), comprised of Justin Begley, Cameron Rosenecker (Captain), Andrew Sagun, Nick Stinson, and Luca Zambito, enjoyed continued success in the past year. The Team took first place in the Local Challenge for the tenth consecutive year, beating out Syracuse University, SUNY Buffalo, University of Rochester, SUNY Oswego, SUNY Geneseo, SUNY Brockport, Rochester Institute of Technology, Ithaca College, Niagara University, and Clarkson University, capping off “A Decade of Dominance” for the College. Amid the spread of the pandemic, the safety-shutdown of the College, and the virtualization of the Americas’ Regionals, every team from around the world was forced to adapt their in-person presentations to fit the virtual Zoom platform. This did not stop the Canisius team from advancing through its bracket to the Americas (North & South) Finals. One step before following last year’s team with a bid to the Global Finals, the 2019-2020 Team was defeated, finishing with another successful year despite the difficulties associated with the pandemic. Altogether, the 2019-2020 Team finished in company with the top ten schools in the Americas out of 600+ participating universities and one of two schools in the world, along with Ateneo de Manila, to reach its continental finals in five of the previous six years.

With this year’s Global Champions coming from the University of Sydney Australia, the 2015-2016 Canisius College Team remains as the *only* Global Champion from within the continental United States. That being said, Canisius has reached the Global Finals twice in its fruitful history, placing it *behind* Lausanne University and Ateneo de Manila (three each) and *alongside* BI Norwegian and University of Sydney. In Dr. Wall’s “global power rankings,” Canisius places in the top five universities in the world based on past successes in both continental and global competitions. Accordingly, this would place Canisius *ahead* of Americas’ universities such as Barna Management School, University of Waterloo, and Seton Hall University. Over the past six years, the APAC Region has been dominated by Ateneo de Manila and Sydney, the EMEA Region has been dominated by Lausanne and BI Norwegian, and the Americas Region has been dominated by Canisius, Barna, Waterloo, and Seton Hall.

A video recording and .pdf document of the 2019-2020 Team presentation and report can be found in the links above.



(left to right: Luca Zambito, Cam Rosenecker, Nick Stinson, Justin Begley, Andrew Sagun, Dr. Richard Wall, Professor Steven Gattuso)



(left to right: Justin Begley, Luca Zambito, Cam Rosenecker, Andrew Sagun, Nick Stinson)



**Golden Griffin Fund, LLC**  
**2001 Main Street**  
**Buffalo, NY 14208**

## **Income Statement**

July 01, 2019 - June 30, 2020

Account Name	July 01, 2019 June 30, 2020
<b>Income</b>	
Dividend	395.08
Interest	350.63
LTCG	5,131.76
Qualified dividend	6,582.43
STCG	-2,019.50
Tax free income	404.94
Unrealized Gain	-34,969.21
<b>Total for Income</b>	<b>-24,123.88</b>
<b>Expense</b>	
Commissions and Fees	-65.00
Foreign tax paid	-42.31
<b>Total for Expense</b>	<b>-107.31</b>
<b>Total for Income &amp; Expense</b>	<b>-24,231.19</b>



**Golden Griffin Fund, LLC**  
**2001 Main Street**  
**Buffalo, NY 14208**

## **Balance Sheet**

as of June 30, 2020

<b>Account Name</b>	<b>Balance</b>
<b>Assets</b>	
Cash & Equivalents	64,294.67
Investments (Long)	449,810.40
<b>Total for Assets</b>	<b>514,105.07</b>
<b>Liabilities</b>	
<b>Total for Liabilities</b>	<b>0.00</b>
<b>Equity</b>	
Capital Accounts - Partners	514,105.07
<b>Total for Equity</b>	<b>514,105.07</b>
<b>Total Liabilities &amp; Equity</b>	<b>514,105.07</b>
 Total Number of Units Held	 32.11
Net Asset Value per Unit	16,010.43