



# MILLION DOLLAR — M I L E S T O N E —

*By Wendell Brock*





## COUGAR FUND REPORTS RECORD FOURTH-QUARTER EARNINGS

The final quarter of 2013 is going to be remembered as a sweet moment for the college's Cougar Investment Fund.

That's when the student-managed private-investment fund exceeded \$1 million in quarterly earnings for the first time. The fund was up 12.9 percent for the period, outperforming the S&P 500, which grew by 10.5 percent.

"It has come close before but never broke \$1 million," said Tom George, the Bauer Finance professor who oversees the fund, created in 2002. George — who directs the AIM Center for Investment Management, where the Cougar Fund is based — said three factors contributed to the rate of return.

"Over the years, the scale of the fund has built to a point where a million dollars wasn't out of reach as a quarterly earnings number," said the professor, who has been with the fund almost since its inception. "And then the market as a whole did well. And we did a little better than the market. So you put those three things together, and that was what it took."

Currently valued at about \$9 million, the Cougar Fund is used as a financial teaching tool for Bauer's MBA and MS Finance students.

Every year, between 16 and 18 students are chosen for the year-long program in a selective process. As part of the experience, they take two additional academic courses: Investment Management and Financial Analysis and Corporate Strategy. At the end, they receive the Graduate Certificate in Financial Services Management.

Unlike similar funds at other universities, the Cougar Fund is a privately held portfolio that draws its money from individuals rather than the institution. The investor pool is made up of high-wealth individuals with a close connection to the college — alumni, philanthropists and business leaders. Since its inception, the Cougar Fund has enjoyed an annualized return rate of about 7.2 percent, compared to the S&P 500's 6.7 percent.

Because the students work at the behest of real-life clients, they are compelled to weigh their decisions wisely.

"From day one, the Cougar Fund entrusts you with a level of responsibility not usually found while in school," said Marco Guzmán, who started the program in fall 2013. "It is not uncommon for a single investment to be worth over \$250,000. Therefore, when the fund makes a decision based on your work, you better believe we have done our due diligence."

At the end of the day, the fund's million-dollar milestone will have a long-term impact that can't be measured in dollars. It enhances the fund's visibility and gives the college a competitive edge in the marketplace. If students are to go on to become successful finance professionals, George said, they need superb valuation skills — something the Cougar Fund supplies them in spades.

Guzmán, who helped achieve the record earnings his first semester, couldn't be happier. "I personally rank this program as one of the best, if not the best, that Bauer has to offer."