

MEF

MINUTEMEN EQUITY FUND

Spring 2017 Newsletter



Anthony Battista – President



The President is focused on the day-to-day operations of the Fund, including setting the schedule, arranging and leading club meetings, ensuring timeliness and quality of work, and coordinating with faculty and administration. Marketing is another priority of the President, as the Fund is continuously working to publicize its members' work. Finally, Anthony helps lead MEF's recruiting process to maintain a strong pipeline of incoming members.

Nick Wiles – Chairman



The Chairman's primary responsibility is to support the career development of all members of the Fund. Whether this is advising on career paths, mock interviewing, or networking guidance, his focus is on helping everyone get an internship or full-time job. He also works to create recruiting opportunities with competitive financial institutions and helps lead MEF's recruiting process.

LEADERSHIP CHANGE

Leadership of the Fund changed hands after the Fall 2017 semester. Former Portfolio Manager, Hannah Kim, and former Chairwoman, Pauline Gillette, appointed the following members:

Michael Canale – Portfolio Manager



The Portfolio Manager is responsible for leading the pitch process and for the overall performance of the portfolio. Michael develops the financial modeling training curriculum, creates the corresponding materials, and leads technical workshops. In addition to tracking portfolio analytics, he performs due diligence with analysts beyond the pitch itself in order to make positive changes to the portfolio. Once the pitch process is complete, Michael works to provide feedback on analysts' research and models.

PORTFOLIO

At the beginning of 2017, we outlined two main portfolio level goals. The first was to decrease our cash position. At the beginning of the semester, we held roughly 26% of our portfolio value in cash as a result of cautious investment over the past year, mainly driven by macroeconomic uncertainty. Our second goal was to reduce the overall number of holdings, allowing analysts to give the proper due diligence to each company in their sector. While these two initiatives are hard to achieve in tandem, over the long run it will ensure our continued success in performance and quality of analysis.

At the beginning of the semester, the portfolio had 32 holdings, down from 42 holdings in spring 2015. We continue to maintain the long-term initiative of consolidating the portfolio to roughly 3-4 holdings per sector, at a target number of 25-28 holdings. The consolidation will result in more thorough analysis within our sectors.

Portfolio level goals, however, do not diminish the level of conviction needed in presenting a sell rationale to the Fund. In order to encourage a deeper dive into our current holdings, we had analysts highlight one of their current holdings during a sector update. The holding was highlighted if it warranted further investigation as a 'buy more' or a 'sell'. As a result, we were able to sell Ingevity Corp (NGVT), Adient Plc (ADNT), Akorn Pharmaceuticals (AKRX) and Chipotle Mexican Grill (CMG) over the course of the semester.

These positions, less Chipotle, amounted to only \$2,000 in total selling activity, allowing us to efficiently consolidate our portfolio without drastically increasing our cash position. These sells, in combination with the all cash acquisition of Cynosure (CYNO), allowed for an efficient reduction in holdings.

In order to reduce our cash position and strengthen our portfolio, we have purchased Teekay LNG Partners (TGP) and Foot Locker (FL). Overall for the semester we reduced holdings from 32 to 29 positions and saw an increase in cash of \$5,700 to \$62,200, or 26.66% of total portfolio value.

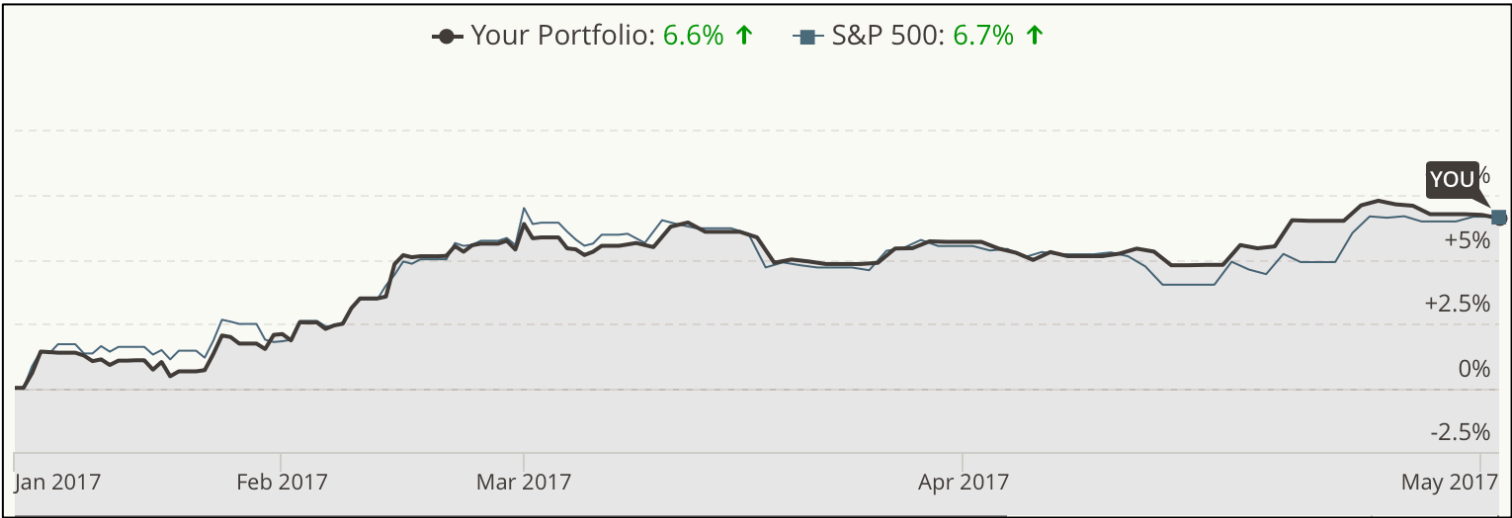
The increase in cash was mainly driven by the size of the Cynosure position, in combination with the premium received upon buyout. Cash as a percent of portfolio value remained stable primarily due to the significant appreciation of invested assets. We maintain a long-term goal of 15%-20% cash as a percentage of total portfolio value.

Given our 26% cash balance, we are extremely proud that our portfolio has matched the returns of the S&P 500 YTD. Our return on invested assets over the same period was 8.7%.

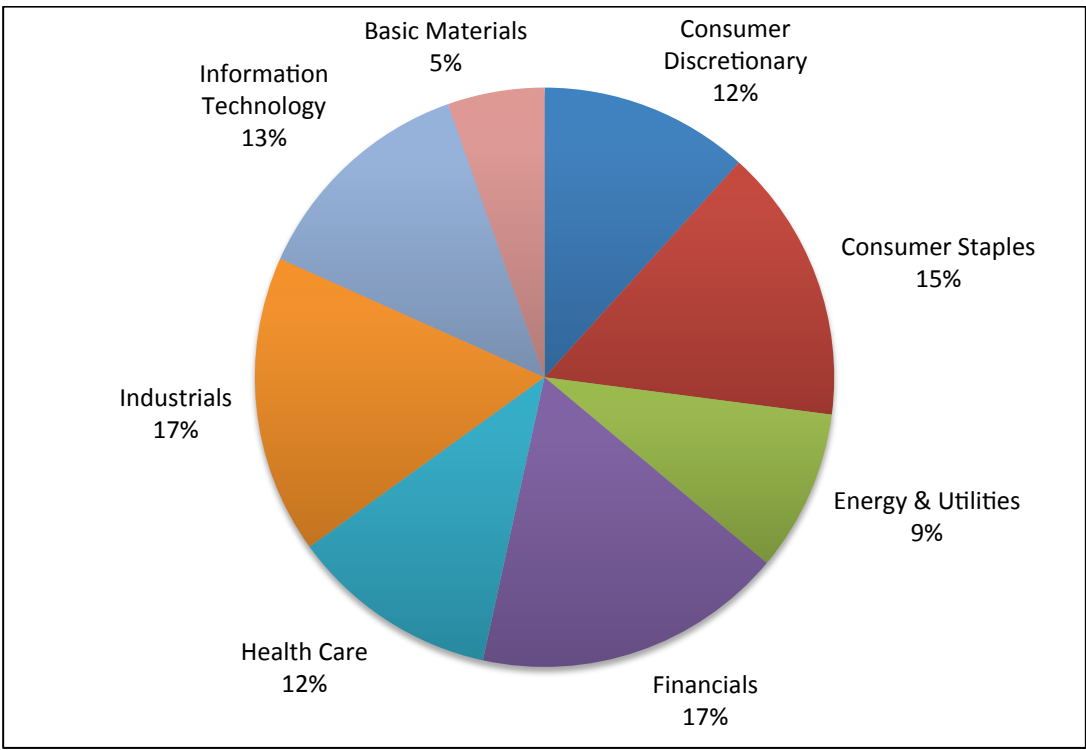
CURRENT HOLDINGS

ALPHABET INC CL A	GOOGL
ALTRIA GROUP INC	MO
AMERIPRISE FINCL INC	AMP
AMGEN INC	AMGN
APPLE INC	AAPL
BROOKFIELD PPTY PARTNERS LP	BPY
CALAVO GROWERS INC	CVGW
CANADIAN NATL RAILWAY CO	CNI
EVERSOURCE ENERGY COM	ES
Foot Locker	FL
GENERAL MILLS INC	GIS
HOLOGIC INC	HOLX
INTERCONTINENTALEXCHANGE	ICE
JOHNSON & JOHNSON	JNJ
JOHNSON CTLS INTL PLC	JCI
KEYCORP NEW	KEY
LITTELFUSE INC	LFUS
MOOG INC CL A	MOG'A
OAKTREE CAPITAL GP LLC UT-A	OAK
SCHLUMBERGER LTD	SLB
SEMPRA ENERGY	SRE
SHERWIN WILLIAMS COMPANY	SHW
SNAP-ON INC	SNA
STANLEY BLACK & DECKER INC	SWK
STARBUCKS CORP WASHINGTON	SBUX
TEEKAY LNG PARTNERS L.P.	TGP
TJX COS INC NEW	TJX
WD 40 COMPANY	WDFC
WESTROCK CO COM	WRK

PORTFOLIO PERFORMANCE VS. S&P 500 YEAR-TO-DATE



CURRENT SECTOR ALLOCATION



FULL-TIME JOB & INTERNSHIP PLACEMENT

One of the primary goals of our group is to place our members into top internships and full-time positions. Each year, our placements have gotten stronger. This year has been no exception. Below is a summary of our members' placements.

SENIORS

Pauline Gillette IBM GBS Consulting Boston, MA	Jon Meyer United Technologies Corp. Financial Leadership Program Hartford, CT
Zack Halpryn Credit Suisse Asset Management Risk New York, NY	Josh Owczarski Capstone Partners Investment Banking Philadelphia, PA
Hannah Kim Cowen & Co. Investment Banking New York, NY	Blake Rowe Boston College Law School Newton, MA

FRESHMEN

Edden Nativ Targo Consulting Financial Consulting Tel Aviv, Israel	Dan Roytman Northwestern Mutual Wealth Management Wellesley, MA
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JUNIORS

Anthony Battista Salesforce Finance & Strategy San Francisco, CA	Pranit Lahoty Ernst & Young Risk Consulting Boston, MA
Jim Chappuis BB&T Capital Markets Investment Banking Richmond, VA	Drew McGeary Citigroup Sales & Trading Boston, MA
Austin Flinn Aegis Capital Investment Banking New York, NY	Caelon Smith HSBC Sales & Trading New York, NY
Nick Wiles J.P. Morgan Sales & Trading New York, NY	Nick Ziner Goldman Sachs Internal Audit New York, NY

SOPHOMORES

Yoav Barkai BNY Mellon Credit Risk New York, NY	John McDonald Teed Capital Management Equity Research Springfield, MA
Dan Cornelius Northwestern Mutual Wealth Management Woburn, MA	Kyle Menges Search Fund Accelerator Private Equity Boston, MA
Nick Goetz MedWorld Advisors M&A Advisory Andover, MA	Nathan Hallock TJX Companies Finance & Accounting Framingham, MA

ONLINE PRESENCE

Over the past semester, we created a new website for the Fund (www.minutemenequityfund.weebly.com). The site features the Fund's history, investment strategy, and research reports. This allows potential employers and other interested viewers to learn about our Fund, validate our valuable experiences, and get in touch with us.

As we continue to revise reports from recent rounds of pitches, they will appear on the MEF website. We welcome any feedback and suggestions you may have so we can keep improving our website!



CONNECTING WITH ALUMNI

Feedback on the newsletter – It is important to us that alumni get the content that they want, so we would like to know what you are most interested in reading about.

Workshops – While we work to improve our curriculum and teach each other, guidance from industry professionals can quickly advance our understanding of market research, portfolio management, valuation, and more. Let us know if you are interested in leading a virtual or in-person workshop!

Recruiting opportunities – Each year, senior members of the Fund successfully mentor junior members through the recruiting process, but we can improve our job placement by developing long-standing relationships with numerous companies. We hope that some of you are interested in soliciting resumes or speaking with a few of our members about opportunities at your company.

Networking opportunities – We are interested in taking networking trips to Boston and New York City. Many MEF alumni have already made time to speak with us, and we would like to meet with more of you.

CONTACT US: minutemen.equity@gmail.com
