

# ITHACA COLLEGE INVESTMENT CLUB

## Prospectus



NOT FDIC INSURED  
MAY LOSE VALUE  
NO BANK GUARANTEE

The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this Prospectus. Any representation to the contrary is a criminal offense.



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Dear Prospective Shareholders,

We are pleased to introduce to you the Ithaca College Investment Club (ICIC). The Ithaca College Investment Club was founded in the latter part of 2004 by two ambitious juniors, Evan Gever and Michael Staub. During their internship at Merrill Lynch & Co. in New York City, they both became determined to institute a student run mutual fund at Ithaca College. After months of hard work, the fund eventually hit the market and held its initial public offering in order to raise funds.

The Ithaca College Investment Club pools financial contributions from investors in order to take sizable positions in a variety of firms. Our vision is to grow the fund large enough so that we can maintain a well diversified portfolio. Thus far, we have raised approximately \$12,000 since the initial public offering. We are on the right track and are determined to raise \$40,000 within the next five years.

Presently, the mutual fund is managed by a heterogeneous group of approximately fifty students with divergent backgrounds in all disciplines of business and the liberal arts. Further adding to their varied backgrounds are their international and domestic experiences. This variation in knowledge adds to our decision making process. Structured like an investment bank, the organization has student analysts working in teams, focusing on specific industries. These teams are given the opportunity and responsibility to specialize within their particular business sectors and make investment recommendations based on their findings. When an industry group believes they have found an investment worthy company, they assemble and present a "buy" presentation to the shareholders. Presentations generally possess a well-rounded analysis of the company under discussion and analyze companies fundamentally, socially, technically, and on a comparative basis. Blending these methodologies allow us to evaluate a company on several levels.

Each analyst group has one or two senior analysts who have taken rigorous coursework in finance and have some investment experience, either with the club or on their own. These senior analysts mentor their fellow group members, guiding them through the investment process. This mentoring facilitates a continuing membership excited about and knowledgeable in the financial markets.

The entire investment club is overseen by an executive board of seven individuals. Each board members' responsibilities vary, but they function as a team to ensure that the organization is run efficiently by conducting training for the analysts, providing a direction for the fund, and forecasting economic trends.

Our primary goals are as follows: 1) For the investors, we wish to maximize shareholder value, and will be incorporating a socially conscious investing theme into our fund because that makes good business sense. 2) For the analysts, we strive to provide the most realistic and pragmatic learning experiences dealing with securities analysis and portfolio management. 3) And for the founders, our goal is to leave our mark on the Ithaca College School of Business, creating an organization that will become a significant and vital part of this institution while enriching the learning experiences encountered by its students.

Do not miss this opportunity to invest in the Ithaca College Investment Club. We genuinely appreciate your interest and investment contributions. Please read the remainder of the prospectus to get a better understanding of our values and goals.

Sincerely,



Michael Staub  
Chief Financial Officer



Evan Gever  
Chief Investment Officer



## Evan Gever

**Business Administration,  
Finance and Accounting**

**Langhorne, PA**

Trading is what lights Evan Gever up, and at Ithaca College the business administration major has found plenty of ways to keep his interest burning: He leads a group of students charged with generating new projects for the school's trading room and its cutting-edge technology. He's just helped hire the construction manager for the school's new "green" building. And he's using Ithaca's network of successful alumni to build a career in the fast-moving world of securities trading.

When Evan was 13 years old, he and his father invested a sum of money in the stock market, and then watched as the stocks they bought increased in value. "It lights a fire," he says of securities trading. "I've followed the market ever since."

So what drew him to Ithaca College's School of Business? Its trading room. More formally known as the Center for Trading and Analysis of Financial Instruments, the trading room gives students access to the same commercial databases that Wall Street traders depend on. Evan doesn't just use the room to hone his financial skills, however: he heads student organizations that monitor and expand its use. As a member of the Deans' Hosts executive board, for example, he helped retool the program that explains the room's capabilities to visitors; he also trains new presenters. And as president of the Core Trading Consultants group, he leads efforts to generate bigger, more ambitious projects for the trading room. The mutual fund is just that project.

The College's commitment to building a sustainable new home for the business school has given Evan further opportunities to enhance his leadership skills. As a member of the "stakeholders" committee, he's become an ardent advocate of sustainability and sees its critical importance for the future. "It's a great area to know about," he says. "Every corporation is going to have a segment that deals with this." Now he's moved onto the committee's core team and is involved in making major decisions; recently, for example, he helped hire the project's construction manager.

But it's perhaps the school's wide-reaching alumni network that's helped Evan the most. Ithaca's rich list of contacts provided him with a variety of internship possibilities. The internships he completed at Merrill Lynch and Ernst & Young in New York City have landed him a job at BlackRock, one of Wall Street's leading investment management firms with assets under management of approximately \$1 Trillion.

## Michael Staub

**Business Administration,  
Finance and Accounting**

**New Paltz, NY**



Michael Staub is also the current President of the Core Trading Consultants. Now a senior at Ithaca College, Staub has been avidly investing under the guidance of his father since the age of sixteen. He remarks, "My father invested all of my college savings in equities, and ever since I've had a keen interest in the markets." This experience prompted Staub to pursue degrees in Finance and Accounting. He also has minors in Mathematics and Economics. His internship last summer at Merrill Lynch in New York City inspired him to develop Ithaca College's very own mutual fund. Staub notes, "I wanted to leave my mark on Ithaca's Business School, and what better way than to create a mutual fund that will be around for years to come. Not only that, it will provide its students with an abundance of learning opportunities and a venue to get pragmatic experience in securities trading."

Staub claims that he chose to come to Ithaca because of its great faculty and opportunities with the Trading Room. Ithaca has provided Staub with several avenues with which to excel. He has been actively involved in many student organizations including the Deans' Hosts which he had the opportunity to run in 2004. As the Chair, Staub worked with seven other students and Associate Dean Rowland to run all of the School of Business Admissions Programs. "The Deans' Hosts really tested my organizational and leadership skills. Everything I have learned from the Deans' Hosts will carry over to the Ithaca College Investment Club and will enable me to do a great job running the organization." As a testament to Staub running the organization effectively, he has worked hard to generate a foundation for the mutual fund including drafting the Partnership Agreement that formed this fund. Additionally, he has created numerous spread sheets to track the performance of the fund, allocating gains and losses to the investors and monitoring all of the transactions.

Staub's hard work has been paying off. This summer he will be entering Merrill Lynch & Co.'s analyst class of 2006. He will be working in investment banking, more specifically, in the Energy & Power Group. His prior internships at Merrill assisted him in getting his current position. Although Staub has always felt destined to start his career on Wall Street, he aspires to become a corporate executive some day for a Fortune 500 company or would like to start his own business.

## Investment Philosophy

Several goals have been identified by management that complement the mutual fund. The first goal is to maximize return on each shareholder's investment. The benchmark index that will be used is the Standard & Poor's 500, and our goal will be to beat this benchmark every year. With our active management, shareholder involvement, and continuous sector and market updates, we feel this is an attainable goal.

The second goal of the mutual fund is to beat the benchmark S&P 500 while minimizing risk. The target beta of the mutual fund will be between 0.8 and 1.2, depending on the economic cycle and the status quo of the markets. To beat the benchmark while maintaining a less than average beta will require active participation by all stakeholders.

The final goal of the mutual fund is for shareholders to gain knowledge and practical experience with investing. The majority of shareholders are students who are eager to learn about how the financial markets work. However, even some professors and administrators do not fully understand the financial markets and wish to learn more. It will be the goal of the portfolio managers to teach all of the shareholders who wish to learn. At some point in every person's life, they will be investing their money in the financial system. Our goal is to have them gain that practical experience during their collegiate years.

## Portfolio Facts

**Objective:** Growth

**Benchmarks:** S&P 500, Dow Jones Industrial Average

**Investment Focus:** Equity securities, with a focus on large U.S. Corporations (consideration given to: ADRs and ETFs)

**Investment Style:** Large Cap Growth

The mutual fund is operated in similar fashion to an investment bank's research division. All student analysts are divided into specific industry groups, each group having a senior (lead) analyst, who will be responsible for supervising the group. Lead analysts are selected by the Executive Board based on demonstrated finance background, work ethic, commitment, and attitude.

The mutual fund consists of fourteen (14) analyst groups within the following industries:

### Analyst Groups

- 1) **Basic Materials:** Gold and Silver, Wood Products, Chemicals
- 2) **Healthcare:** Biotech, Pharmaceuticals
- 3) **Services:** Advertising, Television, Retail
- 4) **Conglomerates:** (large caps) General Electric, 3M, Tyco
- 5) **Consumer Cyclical:** Footwear, Automobile, Jewelry
- 6) **Consumer Non-Cyclical:** Beverages, Food
- 7) **Technology:** Computers, Semiconductors
- 8) **Transportation:** Airlines, Railroads, Trucking
- 9) **Energy & Power:** Coal, Oil, Natural Gas, Electricity
- 10) **Real Estate:** REITs, Hotels, Restaurants
- 11) **Financial:** Insurance, Banks, Financial Services
- 12) **Internet:** Google, eBay, Amazon
- 13) **Capital Goods:** Aerospace, Defense, Construction
- 14) **Telecom & Media:** Verizon, Viacom, Time Warner

Each analyst group is expected to give a full report, including a buy or sell presentation on a specific company to the shareholders. If no investment opportunities have been identified, the analysts will be responsible for giving all shareholders and other sector analysts an update on their respective industry at the weekly meetings.

Each sector may comprise up to approximately 9-10% of our portfolio, depending upon our risk assessment of each sector. Because the goal of the mutual fund is to achieve a beta between 0.8 and 1.2, we will underweight or overweight certain industries based upon total investment in that sector.

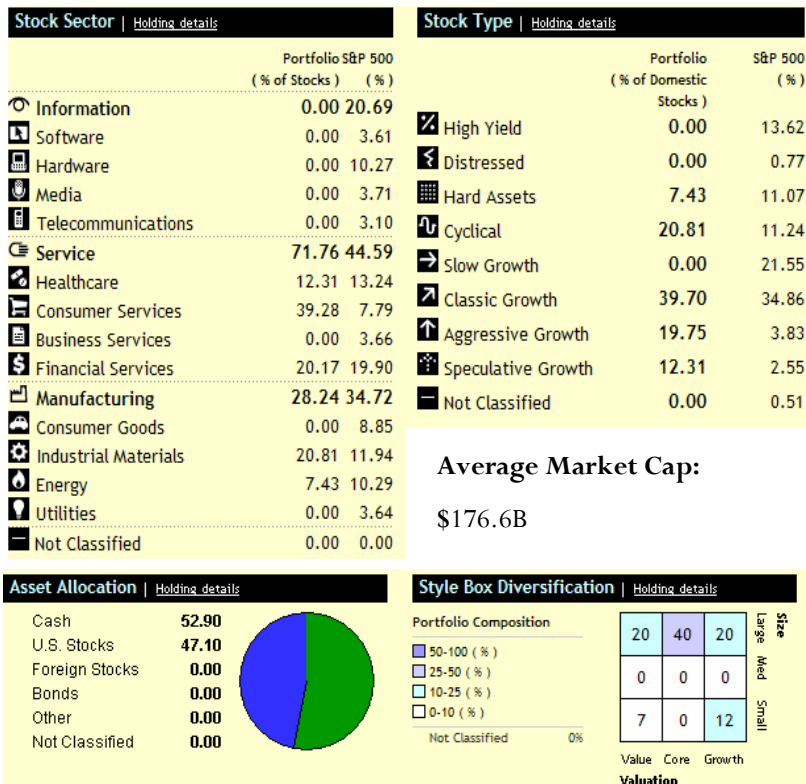
## Goals

1. Educate our members and provide them with the most pragmatic investment experience
2. Outperform our benchmarks on a consistent basis
3. Maintain a methodical approach to investing that balances the needs of our portfolio and the potential of an individual company
4. Uphold our commitment to making investment decisions based upon ethical considerations and sustainable practices
5. Diversify our portfolio
6. Motivate active analyst participation
7. Effectively communicate our goals, objectives, and performance to our shareholders
8. Provide analysts with a competitive advantage in the job market
9. Expand our investor base
10. Maximize value



In 2005, the Ithaca College Investment Club constructed a portfolio which held positions in seven securities including:

- eBay
- Citigroup
- Sirius Satellite Radio
- Abraxas Petroleum
- Wal-Mart
- General Electric
- Martek Biosciences



P/E Ratio: 25.04x

ROE: 16.82%

P/B Ratio: 3.82x

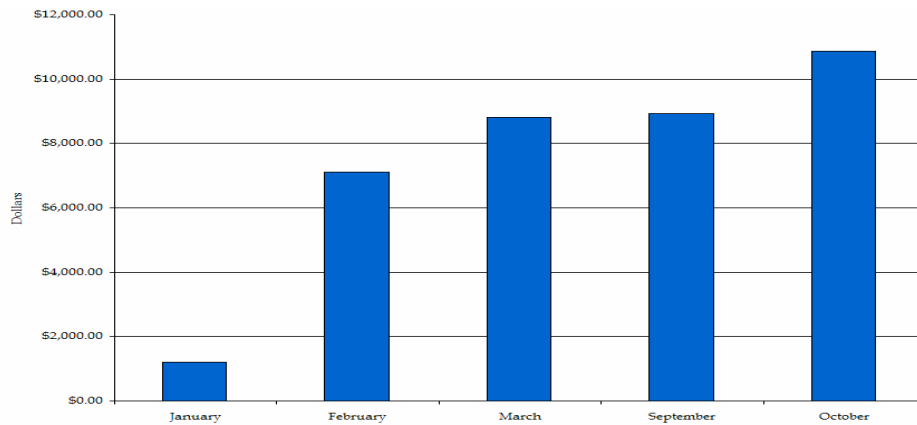
3 Yr. Earnings Growth: 42.27%

ROA: 7.06%

Yield: 0.72%

For the year ended December 31st, 2005 our fund produced the following performance metrics:

**Assets Under Management:** \$10,690 [1,087 shares outstanding]



**Net Asset Value:** \$9.83

**ICIC 1 Year Return:** -1.66%

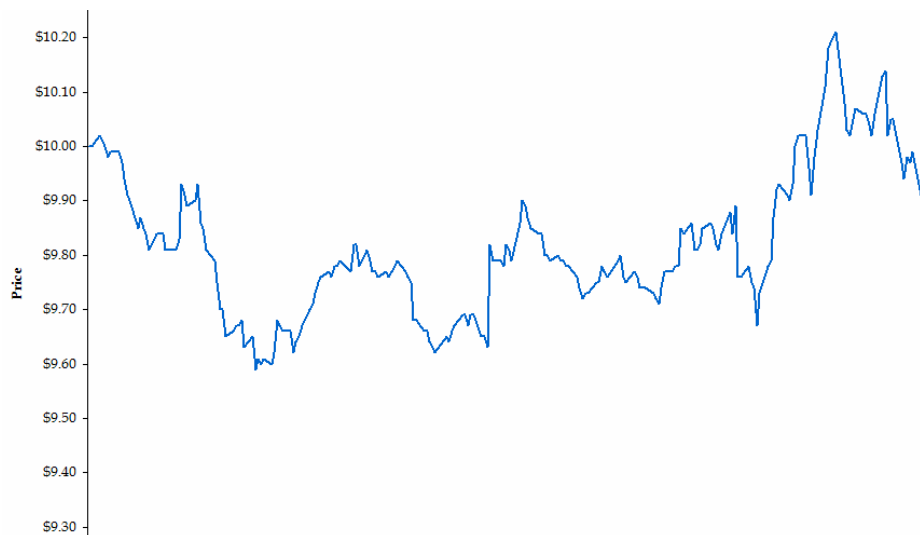
**52 Week High:** \$10.21

**S&P 500 1 Yr. Return:** 3.84%

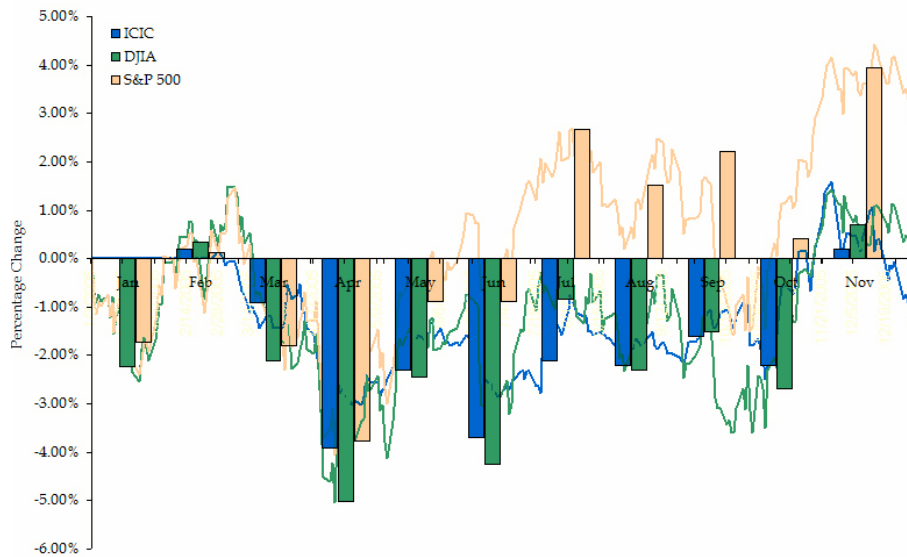
**52 Week Low:** \$9.59

**DJIA 1 Yr Return:** -0.11%

**ICIC 2005 Annual Fund Performance**



## ICIC Performance vs. Benchmarks



Over the course of 2005, our fund, like most mutual funds, had its ups and downs. Despite the volatility, we were very satisfied with our overall performance and stock selection. Initially, after purchasing our first three companies, the market came under pressure and our securities fell well off their purchase prices. A combination of interest rate hikes, high oil prices, and poor earnings took a toll in the third quarter. By November, the Net Asset Value (NAV) rebounded and crossed into positive territory. Consumer confidence, a retreat in oil prices, and favorable earnings and guidance helped to lift our companies. For most of the year, ICIC outperformed the Dow Jones Industrial Average; yet, we trailed our other benchmark, the Standard & Poor’s 500 index. Closing in on the last few weeks of the year, the market staged a rally which boosted our NAV to an all time high. However, with four weeks remaining, our portfolio declined due to poor guidance issued by Martek and Abraxas, investor skepticism, and the yield curve inversion. Nevertheless, our portfolio closed at its one year average price. We believe that going forward, we will be able to diversify away risk and achieve above average returns outperforming our benchmarks.



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Contact us today to invest in the Ithaca College Mutual Fund