

# DEVORE'S \$100,000 GIFT CREATES STUDENT MANAGED INVESTMENT FUND

All eyes are fixed on a large screen as a team of four explains segments of the PowerPoint presentation to the semi-circle seated in semidarkness in front of them.

The slides click by — financial ratios, SWOT analyses, dividend growth, five-year earnings, implied growth, Morningstar ratings. Companies under consideration are office supply giant Staples and Entergy, an energy company with a nuclear component. Occasionally, someone asks a question from the shadows:

"What's your source for the competitors you name here?"

"Are you concerned about market saturation? They seem to be opening a lot of stores in Florida." And regarding brokers' fees: "How locked into that are we? I've seen better deals."

It might be a conference room in any investment firm, except for a few differentiating details. One comment brings it all into focus: "We might have to revisit that when we get real money."

Welcome to Finance 4150, where until recently Terry students tracked their stocks' performance on a purely hypothetical basis. (And they were managing quite nicely, thank you, earning a cumulative return that's 2 percent higher than the S&P 500.)

But soon, thanks to a \$100,000 gift by Darren DeVore (BBA '86), a managing director at Artisan Partners, UGA will join a group of 200 colleges and universities where students manage real investment funds. At Vanderbilt, for example, a \$25,000 startup has grown to \$300,000; at Ohio State, a \$5 million stake is now worth more than \$20 million.

DeVore, who was president of his student finance club, remembers that during his undergraduate days at Terry, "We were lucky enough to have allocated to us a portfolio of \$250,000 in real money that we were responsible for managing." When DeVore got re-connected to Terry — through Pat Pittard (BBA '67), an Artisan Funds board member who is also on Terry's Board of Overseers — "One of the first things I asked was, 'Is there a fund for students to manage?' It was one of the best experiences I had." When DeVore discovered that the '80s-era fund was no longer operating, "My wife and I decided that the Student Managed Investment Fund would be a valuable, real-world opportunity for students."

Finance professor Christopher Stivers and department head Annette Poulsen were, at about the same time, hearing requests from student finance club members for a student-managed fund with real money. "I saw students trying to take the initiative," says Stivers. "It made sense to try to help them."

Poulsen saw the opportunity for students to both interact with — and behave as — professionals. "It would be a way for them to build their capital," she says, "and hold their feet to the fire."

DeVore stressed the need for a real-world investment concept: "I said they had to have some 'skin in the game.' Successes and failures had to have real impact. We were able to sketch out some guidelines, so their investment decisions had ramifications."

Students couldn't be asked to contribute money to take the course. Instead, they earn "reputation capital" from their investment decisions. "If the fund does well," says Stivers, "that will be something a student can use on his or her résumé, and stress in interviews."

If the fund does well enough in the long run, Poulsen would like to see profits used to "take students to the floor of the New York Stock Exchange to see it in action."

Finance Club president Yoni Sonubi and VP Sean Dwyer credit the SMIF's start to "the ex-officers who set up this whole process," says Dwyer. "We stepped into a great situation," says Sonubi. One of the fund's ex-officers, now at Citicorp Investment Banking, recruited Sonubi, who will begin working there immediately after graduation.

"We feel the pressure" involved in using real money, says Sonubi. "The stakes will be much higher. But all of us want to enter the professional world, and we hope we can come back and help."

The DeVores' gift is a wonderful example of how private giving benefits Terry students, enriching their educational experience and paving the way for even brighter futures when they enter the business world. Speaking for all of my staff here in the Terry College Development and Alumni Relations Office, I hope alumni and friends of the college will follow in the DeVores' footsteps. ■

— Martee Horne (BBA '78) is senior director of development and alumni relations.



DAN MCCLURE

by MARTEE HORNE