

Assessment Report: **SIG (Student Investment Group)**

Department/Unit: Department of Finance, Insurance, Real Estate and Law

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I. SIG Mission Statement

The Student Investment Group (SIG) was formed in the summer of 2002 and manages an endowment fund that will be used for future scholarships at North Texas. The SIG also provides an interactive learning experience for all students interested in investments at the University of North Texas. The SIG is the result of the generosity of Colonel Guy M. Cloud Jr. and his wife Mrs. Patricia Cloud. A complete MOU and mission statement can be found on the SIG web site orgs.unt.edu/sig/.

II. Previous Evaluations:

Under the MOU between the University of North Texas and Col. Guy M. Cloud, quarterly reports will be furnished as well as an annual audit report. Further, the University internal audit and financial oversight division will conduct an independent annual audit which has recently (1/27/04) been completed. This is the first such audit. The following specific changes were recommended by the internal audit committee:

- (i). Reconciliation of Investment Transactions and Independent Reporting
- (ii). Quarterly Reports and Annual Audit

The SIG will come into compliance with both of the issues raised by the internal audit and their report is enclosed.

III. Statement of Expected Outcomes

To date, the students in SIG have learned how to set up and run a large organization capable of doing the research and decision making necessary to operate an Investment Fund with potentially millions of dollars in assets. This is an incredible learning experience that provides instruction on how to trade securities in real time with real

money and real consequences. The software will allow the students to deal with real funds and trades, as well as learning by setting up shadow accounts using trade techniques not allowed by the Fund Agreement for the real money. The students will also benefit by having opportunities for scholarships, internships, and securities industry licensure.

Goals and Objectives

-Student Participation Goals and Objectives

- (i). Provide for an interactive learning environment for students interested in investments.
- (ii). Provide the organizational structure that students establish, control, audit and maintain for SIG and the endowment fund subject to faculty supervision.
- (iii). Provide Series 6, 63, 65, 66 and 7 licensure education and opportunities for Group 1 insurance certification training.
- (iv). Provide real time investment training and trading opportunities through UNX (see the related web site www.unx.com for more info).
- (v). Provide internship partnerships through corporate sponsors. These sponsors would provide training, scholarships, licensure and employment opportunities.
- (vi). Provide a format for interaction with alumni through seminars, public addresses, interviews and SIG advisory board participation.

. Fund Goals and Objectives

- (i). Long term economic growth of the endowment.
- (ii). Provision for student scholarships once the fund reaches 1 million dollars.
- (iii). The establishment of a trading room for the SIG membership.
- (iv). To provide operating costs and expenditures associated with SIG.
- (v). Form a partnership with the Financial Services Center to facilitate the goals and objectives of SIG.

IV. Measuring Expected Outcomes and Evaluation of Success

- (i). Overall fund performance and quarterly reports/audits.
- (ii). Scholarships funded and external corporate sponsorships granted.

(iii). Internships and employment opportunities generated as a result of SIG/corporate sponsorship programs.

(iv). Alumni participation/Advisory board participation activities.

(v). Demo investment fund performance through UNX.

V. Use of Assessment Results

(i). The SIG was established in 2002. A charter, bylaws and organizational structure were established and can be reviewed on the SIG web site.

(ii). UNX Inc. has provided us with an institutional trading platform that allows for WEB based interaction with SIG. SIG participation is both in real time and in demo accounts for trades and portfolio formations not allowed under the Col. Directives. For more information on this WEB site see www.unx.com.

(iii). Northwestern Mutual Life- The David Bostick financial group in Ft. Worth has agreed to provide us with approximately \$30,000 per year for the next five years and agree to sponsor an internship program for up to 30 interns per year. They will provide training, licensure and sponsorship for our students. Moreover, as an opening installment they will purchase the LED screens to display real time data streaming quotes for the SIG trading room. (see the RISE financial information that I have attached).

(iv). State Farm Insurance Co. has also provided 175,000 for the Financial Services Center.

VI. Changes Made Based on Assessment Results.

Since the first internal audit was completed two days before this report was drafted changes have not yet been implemented. However, changes will be instituted in the coming year in portfolio formation, and in quarterly reports and annual reporting. Changes were required for the use of SIG and other classroom activities.

Specific Changes Sought for the SIG Trading Room

The current space allocation for SIG is a 20'x16' room located within the COBA (BA 214). The facility, to be functional, requires some basic furniture as well as equipment. Detailed plans are underway to establish a trading room for SIG.