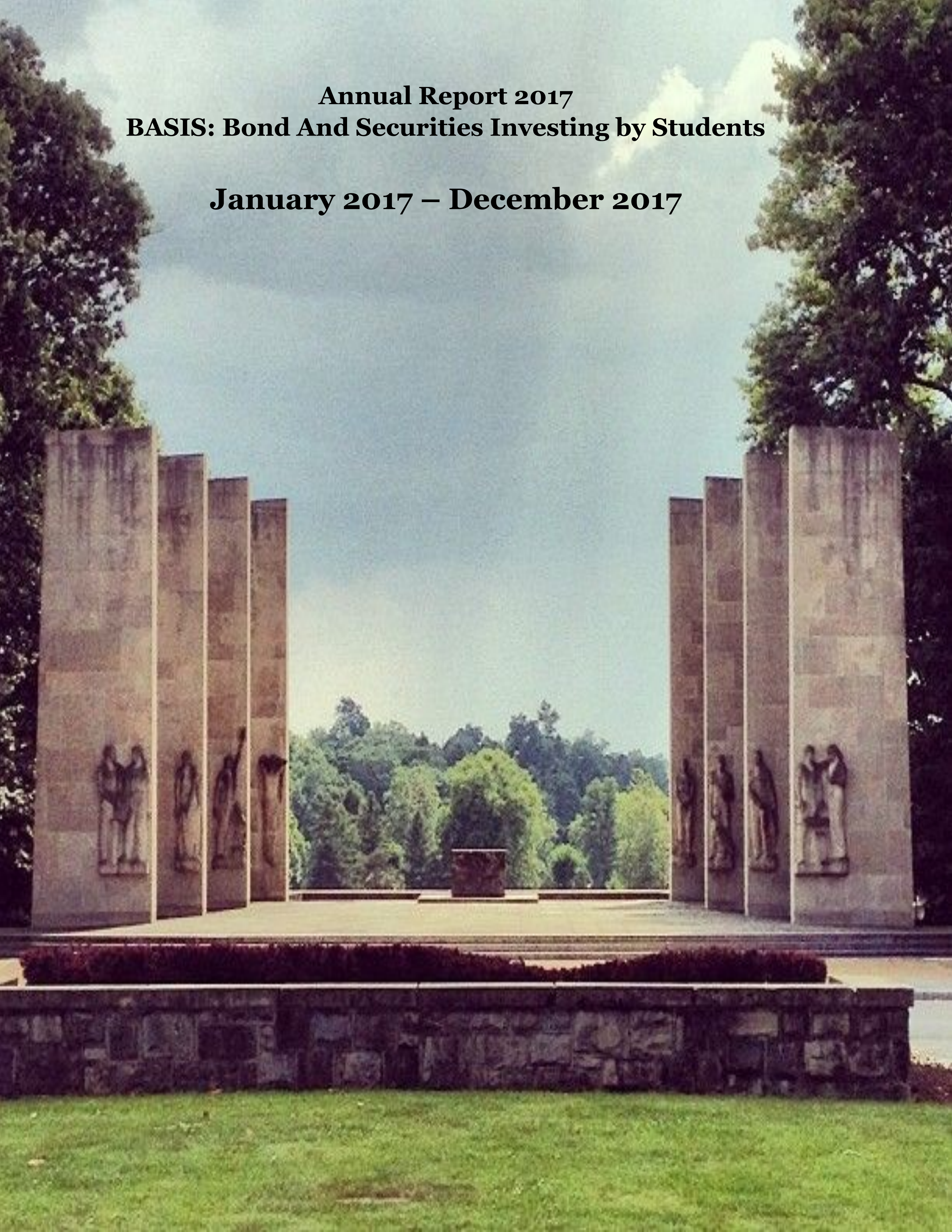
Annual Report 2017
BASIS: Bond And Securities Investing by Students

January 2017 – December 2017



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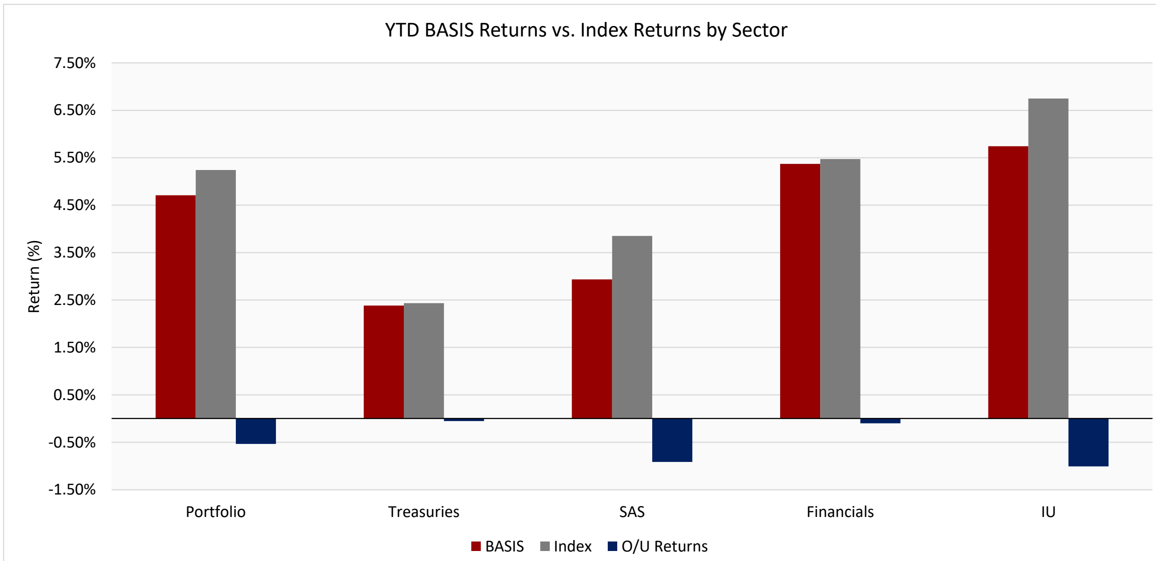
Portfolio Performance Summary

Total Market Value: $4,896,453



	Portfolio	Treasuries	SAS	Financials	IU
BASIS	4.71%	2.38%	2.94%	5.37%	5.74%
Index	5.24%	2.43%	3.85%	5.47%	6.75%
O/U Returns	-0.53%*	-0.05%	-0.91%	-0.10%	-1.01%

BASIS finished the fiscal year of 2017 returning 4.71%. Unfortunately, that return was not enough to beat the index for the year. The strongest performing sector from a relative standpoint in 2017 was our Treasuries sector. Throughout the year, we were positioned for a bear flattener, which proved to be beneficial for us as the yield curve flattened significantly throughout the year. A major activity for BASIS this year was responding to a high number of tender offers, make-wholes, and calls. BASIS learned a lot from our performance this year and expects to see improvement in 2018.

More in-depth analyses of our returns are later in this report.

* Before fees. (-1.03% after fees)

Our Mission Statement: *To provide a unique educational experience for all of our members while generating competitive returns for the Virginia Tech Foundation*

Leadership:

Co-CEOS:
Mike Orcutt
Ian Beskin

CFO:
Joey Delpercio

Sector Heads:

Industrials & Utilities– Industrials
Katie Kullman

Industrials & Utilities– Spec
Olivia Hsu

Financials
Mason Ratcliff

Rates
Jon Vaughan

About BASIS

BASIS is the largest completely undergraduate student-run fixed income portfolio in the country. We manage five million dollars for our client the Virginia Tech Foundation by investing in fixed income securities. BASIS has a dual mandate of generating competitive returns for our client while striving to provide an unparalleled educational experience for each of our members. Through their experiences of managing real money, our members are able to go beyond the classroom and separate themselves in the workplace.

Many students on college campuses have extensive knowledge of equity markets, but only a few can grasp the inner workings of the fixed income market. The fixed income market is rarely talked about, but it plays a huge role in our markets as the bond market is one and half times greater than the equities market. The fixed income market is known to be one of the more challenging markets to grasp and understand. That is why BASIS requires its members to be some of the top students that Virginia Tech has to offer. In addition to being bright, succeeding in BASIS and in the fixed income markets requires that our members must have an unrivaled work ethic to compete at the highest level. Our members receive the best learning experience a college organization can offer which is why our members are at the top of their recruiting class for any career path they wish to pursue.

BASIS selects members from all majors across the University. That allows us to have the best talent and a more diverse set of viewpoints. In order to select the best performing credits for our portfolio, our members contribute their diverse range of skills such as finance, accounting, economics, communications, engineering, mathematics, and programming. Members with a leadership role in BASIS have a wide range of duties that require them to develop countless skills while simultaneously delivering unparalleled credit analysis to the group. Members are required to follow certain companies, and they must stay up-to-date on current news related to their holdings. Members use a wide range of resources to do their analysis such as Microsoft Excel to create professional quality models and graphs, and Bloomberg Terminals to uncover trends of which the average investor may not be aware. Finally, our students must have top level communication skills in order for the portfolio to succeed. They are required to present their thoughts to the group and must be able to defend their opinions while getting questioned from the rest of the organization. Through all that experience, our members grow immensely not only professionally but also personally.

In order to achieve the highest returns for our client, our analysts are divided into four sectors. Analysts specialize in their respective sector. The four sectors of BASIS are Treasuries, Sovereigns/Agencies/Supranationals (SAS), Financials, and Industrials/Utilities (I/U). Starting in 2018, I/U will be divided into two sub-sectors from an administrative point of view. The Analysts of the Treasury sector help our executive team find the optimal positioning on the yield curve while monitoring American macroeconomic events. They develop tools that allow them to predict factors important to portfolio performance such as inflation and yield curve movements. Our SAS sector covers US agencies and also can invest in sovereign debt as long as it is issued in USD. SAS has the tough task of understanding and predicting the movements of foreign currencies, and developing analysis for foreign

macro events – especially changes in policies by foreign central banks. The Treasury and the SAS groups send daily updates to the members about interest rate movements and daily world events. Their updates allow all BASIS members to have the latest information when making an investment decision. The Financials and I/U sectors handle the task of finding the best possible credits for our portfolio. Analyst keep up-to date on earnings calls and build forecasting models about future earnings in order to get a leg up on the market. Those models will better allow our members to see if a company has a chance of a possible downgrade in the future. Along with building models in Excel, our analysts keep up-to-date on industry trends that could have an effect on our holdings' cash flows.

Finally, members with leadership roles in BASIS have duties similar to Fortune 500 companies' executives. BASIS executives train new members, foster open line of communication with all members, enforce deadlines, and ensure that BASIS is producing high quality work. BASIS executives make decisions regarding portfolio strategy and tactical allocation. Executive members vote as part of an investment committee during buy pitches, and once a buy pitch has been approved, the authorized traders contact our four brokers to execute the trade. While the executive team mainly focuses on ensuring competitive returns for our client, they also do a wide range of others things for the group. The executives supervise recruiting, they make human resource decisions, they work with our faculty advisor, and finally they make presentations to the Virginia Tech Foundation, Pamplin College of Business, and other parties.

The support from the Foundation, the College, and the Department is why BASIS is able to produce some of the best college graduates in the nation while also having returns that compete with some of the best professional bond funds in the world.

Organizational Photo: Spring 2017

Letter from BASIS Co-CEOs

Dear Virginia Tech Foundation,

The 2017 year was a roller coaster ride of events for investors. With rising geopolitical tension between the U.S. and North Korea, three Fed Funds rate hikes, uncertain policy changes to the Affordable Care Act, and tax reform, conventional thought would predict highly volatile markets. Instead, the Volatility Index (VIX) hit a record low of 9, and ten year Treasury yields have remained virtually unchanged since the start of 2017 (-1 basis point). The primary driver of fixed income securities' returns this year has been monetary policy and a flattening yield curve. Since the start of the 2017, the 2s-10s spread has decreased by 68 basis points from 1.26% to 0.58%. Two year yields have risen dramatically (+67 basis points) due to Fed Funds target rate hikes. Longer-dated securities are tougher to explain, however. The lack of movement in the 10 - 30 year Treasury yields can be explained partially by inflation that seems unresponsive to the usual drivers. Despite U.S. unemployment being at the lowest level in 17 years, inflation has been consistently below the Fed's 2% target, confounding Fed economists and fixed income investors. Moreover, yield-hungry international investors have flocked to long U.S. Treasury bonds because sovereign yields are low or even negative in many developed countries. Consequently, 30 year yields decreased 27 basis points to 2.815% at the end of 2017, making for a very flat long end of the curve. In fact, the spread between 10 year Treasuries and 2 year Treasuries is currently the lowest it has been since September 2007.

Investment grade credit has also been trading historically tight. The Bank of America Merrill Lynch U.S. Corporate Master Option-Adjusted Spread, which only contains investment grade companies, is also at its lowest level since 2007. Finding bonds that compensate for their risk has been a challenge this year due to extremely tight credit spreads. By historical standards, most of investment grade credit appears overvalued. This year has also provided BASIS a rare opportunity to analyze make-wholes and tenders. As a result of rising rates, make-wholes and tenders have become more common as companies rush to issue new debt while it is still relatively cheap. During the year, BASIS had two make wholes and four tender offers. With three to four rate hikes expected in 2018, the lessons of this past year will be extremely pertinent for our portfolio decisions in the future.

Looking to 2018, we expect a bear flattener. We predict that short end rates will continue to rise due to Fed rate hikes throughout the year and due to the Fed tapering its reinvestment in mortgage-backed securities and Treasuries. We expect long rates to rise, albeit slower than short rates, due to higher inflation expectations resulting from stimulus to the economy due to tax reform. Consequently, we anticipate we will continue to see many make-wholes and tender offers, similar to 2017. Because analysis of the proposed tax reform suggests that the budget deficit could increase by between one and two trillion dollars over the next decade, we expect increased Treasury issuances to raise the yield curve over the coming years. We further believe that issuances will be biased slightly toward longer dated maturities. From 1997 to 2011, the average maturity of U.S. Treasury bonds was 13. In recent years, from 2012 to 2017, the average maturity of U.S. Treasury bonds has been 17. We believed that change is due to lower rates in the U.S. over the past five years and the U.S. government

capitalizing by issuing on the long end. We expect that trend to continue in 2018. We expect these factors to be mitigated by foreign investors buying in the long end of the curve, similar to 2017, preventing long rates from rising quickly. Next year, we will stress proactive decisions and quickly adjusting the portfolio position in response to economic events.We have learned in the past two years that keeping a duration bet opposite of the market for even a mere two months can be immensely damaging. As a result, we will work to be faster with making portfolio decisions this year.

BASIS Overview

BASIS continues to take pride in attracting the best members possible. Last Spring, we accepted three new members, and they completed Junior Analyst training this Fall with the Fall of 2016 Junior Analyst class. In November, we accepted 18 new members who have very diverse backgrounds. We brought in two computer science majors, three Industrial Systems Engineering majors, and we added another Chemical Engineering Major to the group. BASIS strives to have diverse thought within our organization in order to fulfill our dual mandate. We continued to improve our Junior Analyst program and focused on adding more relative value analysis training to our curriculum. This Spring we will continue to focus on improving our curriculum by making our lessons more in-depth and adding more focus on model building in Excel. We had 17 junior analysts last fall pass the Junior Analyst exam who will now move on to Analyst and leadership roles within the organization.

During 2017, the organizational structure of BASIS changed. Starting in December of 2017, we divided our Industrials and Utilities Sector in two sub-sectors. We did that to allow our Sector Heads to focus more on the holdings within their sectors. The Industrials and Utilities sector in total has 16 analysts and market value of close to $2.4 million. Now, each sub sector within I/U will have 8 analysts and market value of about $1.2 million. We believe this new divide will allow Sector Heads to better educate their analysts and better monitor presentations and updates.

Closing Comments

We are extremely thankful for the opportunity that the Virginia Tech Foundation offers us. We realize this is a once in a lifetime opportunity and experience that is not offered at many other universities. Thank you to all members of BASIS who put in countless of hours of work to make sure that BASIS continues to provide the best materials possible. We could not do it without you. We are also grateful for the unsung heroes of BASIS, our alumni. They give so much back to us, and when we graduate we will do the same. Finally, we would like to extend a huge thank you to our faculty advisor Dr. George Morgan. He is our biggest supporter and always puts our interests ahead of his own, and we can't thank him enough for that. BASIS would not be what it is today without him.

We look forward to another great year of investing, learning, and conquering new challenges.

Very Respectfully,

Mike Orcutt, Co-CEO

Ian Beskin, Co-CEO

Performance Overview

Figure 1: BASIS Return vs. Index

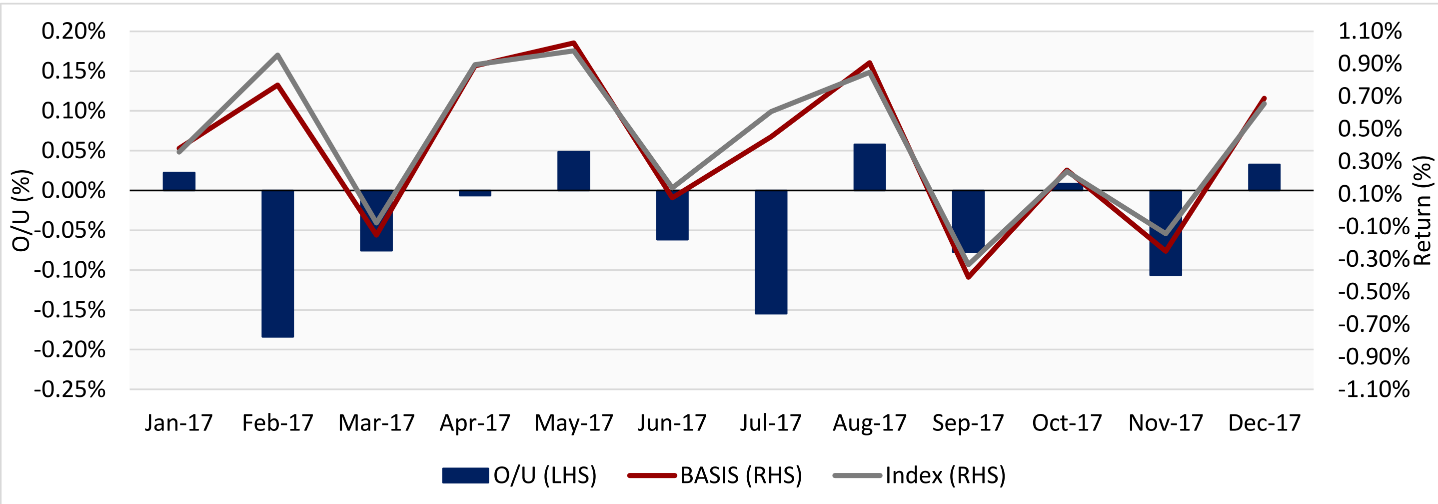


Table 1: BASIS Returns vs. the Index

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 YTD
BASIS	0.38%	0.77%	-0.15%	0.89%	1.03%	0.08%	0.45%	0.91%	-0.41%	0.25%	-0.25%	0.69%	4.71%
Index	0.36%	0.95%	-0.08%	0.89%	0.98%	0.14%	0.61%	0.85%	-0.33%	0.24%	-0.14%	0.66%	5.24%
O/U Returns	0.02%	-0.18%	-0.08%	-0.01%	0.05%	-0.06%	-0.15%	0.06%	-0.08%	0.01%	-0.11%	0.03%	-0.53%

The first quarter of 2017 was the worst quarter of the year for BASIS. We underperformed by 24 basis points due to weaknesses in every sector. Poor credit selection and positioning explain the first quarter performance for BASIS. I/U, the largest sector in our portfolio, underperformed in every month due to poor relative positioning in subsectors and security selection. On a portfolio level, we predicted and positioned for a bear steepener. Short end rates rose due to the March 16 Fed Funds target rate hike. We were prepared for the rate hike and held an underweight position up to three year bonds. The portfolio still underperformed because we positioned to be overweight in the middle of the curve, around the 7 - 10 year range. That was the inflection point for a twisting flattener. Long rates fell during the quarter while short rates rose. Furthermore, foreign sovereigns in the index performed well during the first three months of the year, and our underweight position in SAS resulted in that segment underperforming. That has been a persistent problem for our organization. Foreign sovereigns often have minimum purchase sizes of $200,000, and for BASIS, that would be a relatively huge bet considering the size of our overall portfolio. In other cases, the liquidity is too low and transaction costs too high. Acquiring SAS holdings has been a persistent challenge and one that we are looking to address this year.

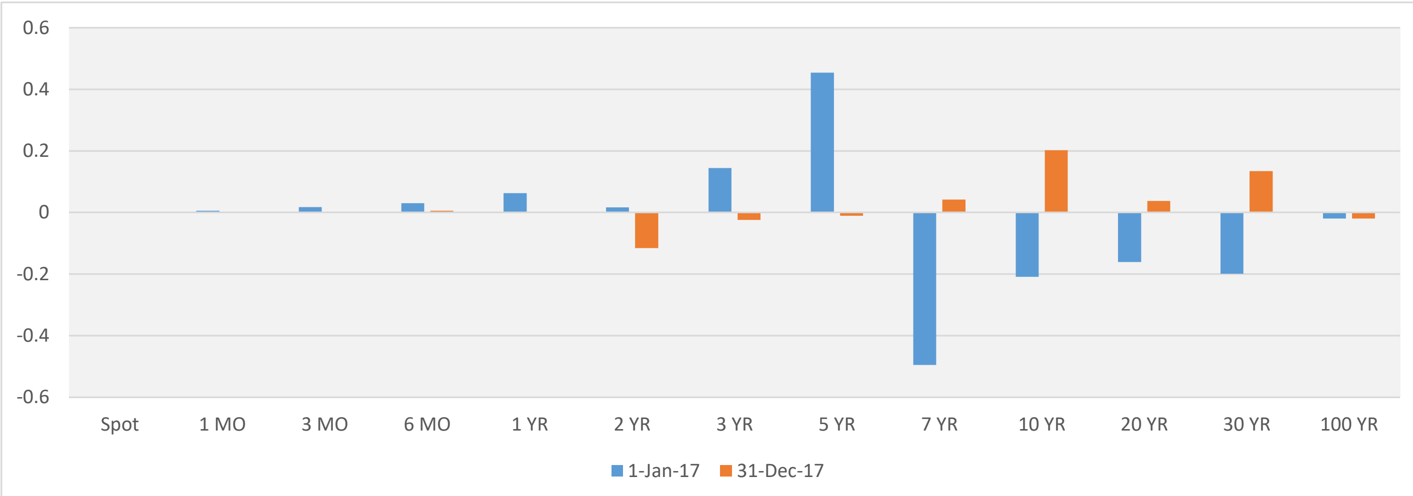
The second quarter of 2017 was a calmer quarter for the BASIS portfolio. During the three month period, BASIS underperformed by 2 basis points. Many of the same trends and issues persisted. The curve continued to twist and flatten while we maintained our overweight position in the belly, causing underperformance. That particularly hurt after the Fed Funds target rate hike on June 15th. Furthermore, our subindustry bets contributed slightly to portfolio underperformance. In Financials, high allocation to brokerage firms and low allocation to investment banks

caused weakness in that sector. Meanwhile, rumors of removing the Volcker rule created excitement around investment banks, causing their bonds to tighten slightly more than usual. The two factors combined resulted in Financials being our worst performing sector during the second quarter. Industrials and utilities outperformed in every month, slightly reversing their underperformance the previous quarter.

The third quarter of 2017 for BASIS was a tough quarter. We underperformed the index by 16 basis points for the July - September period. The majority of underperformance can be attributed to the month of July, where we underperformed by 15 basis points due mainly to our Qatar and Teva holdings blowing out. When the news broke out that Qatar was accused of strengthening their ties with Iran, other countries in the region were infuriated with Qatar and imposed several sanctions on them. As a result of those events, our Qatar bond blew out 70 basis points in a four day span. After the news broke, our investment committee voted to hold our Qatar bond because we believed the market was overreacting. While that was occurring, Teva had an awful earnings report due to consolidation in the generic drug space and increased FDA approvals of competitors. We attempted to sell the holding, but due to the liquidity of the bond, we received poor quotes and voted to hold to the bond to avoid the heavy transaction costs. Throughout the third quarter, we maintained our bear flattener bet. That was favorable for us in the month of August, but in September, the curve became steeper due to more intense talks about the tax reform and more hawkish tones from the Fed.

The fourth quarter of 2017 was an improvement from the third quarter, although we still underperformed by 7 basis points. October was a positive month for us with SAS leading all sectors with 6 basis points of outperformance. Our decision to hold Qatar (part of our SAS sector) back in July proved to be a great decision because Qatar was one of our best performing holdings throughout the fourth quarter. In total, SAS outperformed by 18 basis points in the fourth quarter. I/U struggled in the last two months of the year due to poor earnings reports from companies such as Zoetis, General Electric, and Teva. Teva began trading like BB bond, and we ended up selling the bond in early December. Our I/U sector would have performed even worse, but we were lucky to have two bonds made whole and one bond partly called. We gained from all three of those transactions. Finally, our Treasuries sector ended on a strong note by outperforming our index by 12 basis points in December. We were well-positioned for the December rate hike as we were very underweight in the short end of the curve.

Figure 2: Duration Contribution: Jan 1 and December 31



We started off the year with a bear steepener play, but as an exec team we proposed move our portfolio to a flattener bet. We want to be underweight in the short end of the curve, overweight in the belly of the curve, and duration contribution neutral in the long end of the curve. BASIS wants to focus on credit selection in 2018. We are moving our portfolio to a duration neutral position from the current overweight position.

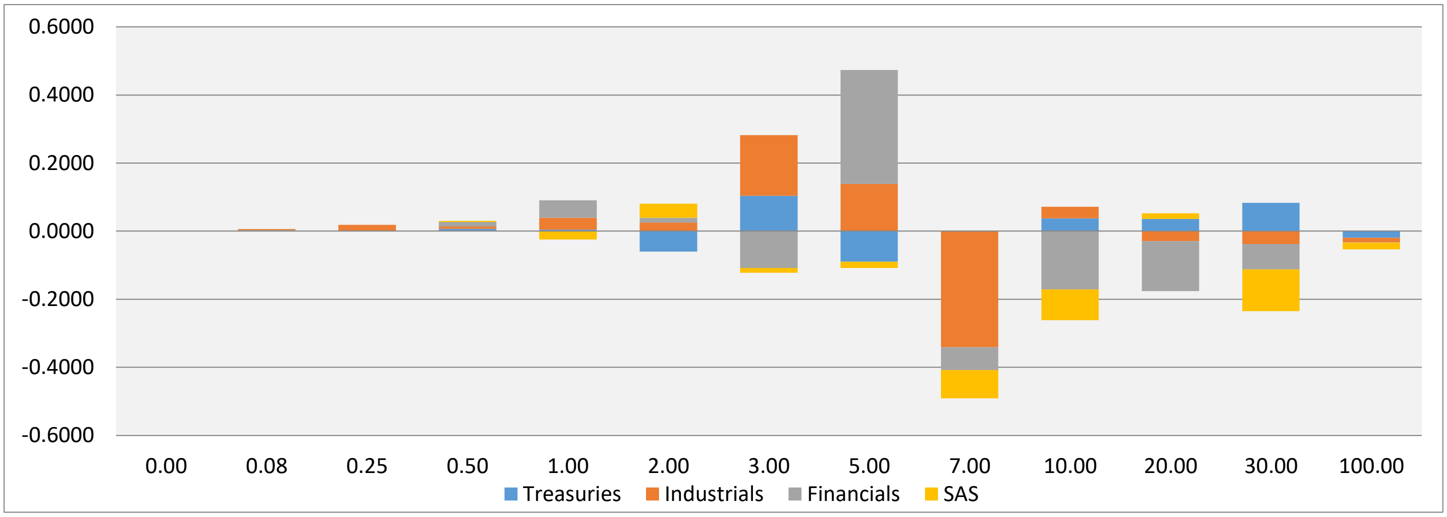
Table 2: BASIS Duration vs. the Index

	January 1, 2017	December 31, 2017
BASIS	6.39	7.00
Index	6.75	6.75
O/U	-5.22%	3.76%

Table 3: Sector Breakdown by Market Value

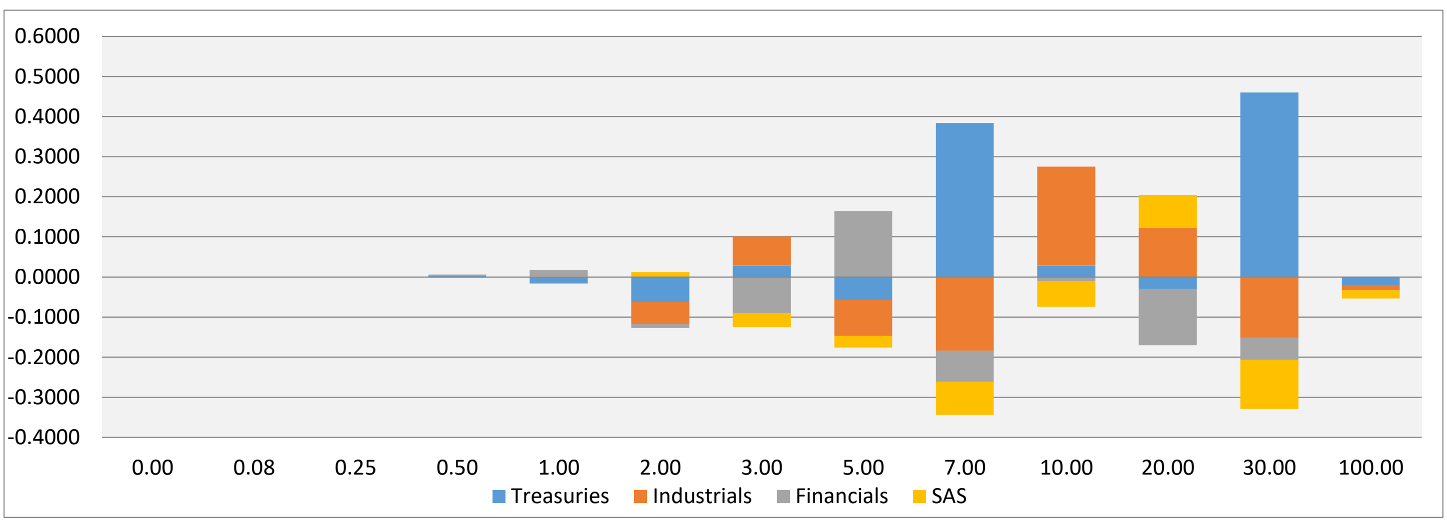
	January 1,2017 Market Value	% Total	December 31, 2017 Market Value	% Total
Cash	$152,262	3.17%	$90,000	1.84%
I/U	$2,357,740	49.11%	$2.064,672	42.16%
Financials	$997,489	20.78%	$994,324	20.30%
SAS	$408,103	8.50%	$498,198	10.17%
Treasuries	$885,115	18.44%	$1,249,259	25.51%
Total	$4,800,709	100.00%	$4,896,453	100.00%

Figure 3: O/U Sector Duration Contribution: January 1, 2017



Entering the month of January, we were overweight the three and five year maturity buckets, because we felt that was the safest place to be on the curve. From a positioning standpoint, our goal at the start of 2017 was to increase our exposure to the long end of the curve.

Figure 4: O/U Sector Duration Contribution: December 31, 2017



Currently, we have a lot of exposure to the long end of the curve. Although, we do not see the curve steepening at a significant rate, we are going to decrease our bet on the long end and move more securities to the belly of the curve. We plan to keep our exposure to each sector relatively even with the index. We hope to outperform in 2018 through our overweight and underweight positions in different subsectors.

Sector Performance Overviews

I/U-Industrials

Sector Head:

Katie Kullman

Analyst:

Alex Woodward

Quillin Gaffey

Junior Analysts:

Sanjana Pasupuleti

Eric Zheng

Colleen Chrisman

Zack Beckley

I/U-Spec

Sector Head:

Olivia Hsu

Analyst:

Tucker Roberts

Carly Primo

Tristan Lau

Sara Valtonen

Junior Analysts:

William Unterkofler

Claire Nowinski

Michael Swisher

Hannah Stokes

Industrials/Utilities (I/U)

Figure 5: I/U Return vs. Index

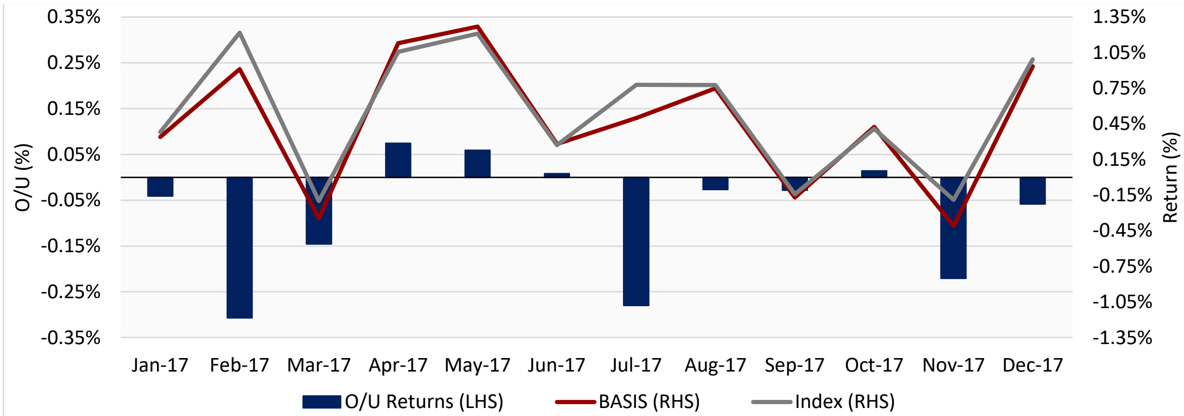


Table 4: I/U Return vs. Index

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 YTD
BASIS	0.34%	0.91%	-0.34%	1.13%	1.27%	0.28%	0.50%	0.75%	-0.17%	0.42%	-0.41%	0.94%	5.74%
Index	0.38%	1.22%	-0.20%	1.06%	1.21%	0.27%	0.78%	0.78%	-0.14%	0.41%	-0.19%	0.99%	6.75%
O/U Returns	-0.04%	-0.31%	-0.15%	0.07%	0.06%	0.01%	-0.28%	-0.03%	-0.03%	0.01%	-0.22%	-0.06%	-1.01%

Sector Overview

The composition of the IU sector changed only slightly in the calendar year of 2017. There were a total of seven credit pitches throughout the year. However, only three of the seven were chosen for execution. Although that may seem surprising, we look at that statistic as a positive. Although the quality of our pitches has improved, the consideration and scrutiny they undergo has increased as well.

Underperformance can be attributed to curve and subsector positioning on the long end and poor credit selection, although a few specific credits were a severe drag on our overall return. We went into the year underweight in the short end of the curve and neutral in the long end. The high inflation expectations from the Trump election did not materialize as we expected, and our neutral bet on the long end was hurt by the flattening of the curve.

We made an effort to alter our sub-industry positioning to become more neutral with our index. At the start of the year, we were underweight in sectors such as healthcare, consumer goods, and particularly energy. Our underweight position in energy was a drag on our relative returns in the later part of the year. We brought up our exposure to energy with the purchase of a Valero bond. However, we still remain underweight in the sector. With a large cloud of concern over the Affordable Care Act after Trump took office, our concern was that any type of repeal and replacement could adversely affect the sector. In order to bring up our exposure to healthcare but avoid legislation risk, we purchased Zoetis, an animal health company, that would not be affected by any changes to Obamacare.

Our overweight sector position was in capital goods and retail, which were among the worst relative performing industries for the year, particularly retail. Nevertheless, our retail holdings, Walmart and O'Reilly, actually performed well comparatively. The largest reason the IU sector underperformed was our pharma holding, Teva, which had a serious adverse effect on the portfolio. Teva contributed to 21 bps of underperformance in the IU sector in the months of August through November.

"The largest reason the IU sector underperformed was our pharma holding, Teva, which had a serious adverse effect on the portfolio."

During the full year, we only had three bonds mature, Potash, Estèe Lauder and Exelon. With the maturing of Exelon in October, we had a Utilities pitch at the beginning of November that we decided not to approve. We are only slightly overweight within our Utility bucket. However, the only bond we hold is a 2044 Southern California Edison, which leaves us with little diversification within the space. The IU team is considering a partial swap in the upcoming months with a security that will improve diversification.

Performance

The spread in every sector tightened over 2017. Credit markets have been bolstered by the strong economic backdrop, improving credit metrics due to fewer debt-funded acquisitions, along with strong corporate earnings. The yield curve flattened substantially in the year as the Fed moved to normalize policy, pushing up rates in the short term, and inflation remained muted despite expectations due to economic growth and a pro-growth agenda. In the early months of the year, the IU portfolio greatly underperformed our index with a negative relative return for the months of January, February, and March. That underperformance was due to poor sector allocation in strong sub-sectors, particularly in Energy, Healthcare, and Technology. The month of February was the best performing month for index, returning 121 bps. Our return for the month was much lower at 91 bps. Technology and Energy were top performers, and our vast underweight position in each of those buckets led to the underperformance. March was a different story. That was the second worst month of the year, as IU and our index had negative returns of -34 bps and -20 bps respectively. Capital goods, a sector in which we are significantly overweight, was the worst performer in the month as there was an unexpected drop in new orders from US core capital goods. That was followed by Transportation and Utility in which we are each overweight.

"Our underperformance was due to poor sector allocation in strong sub-sectors, particularly in Energy, Healthcare, and Technology. "

The spring season could not have come at a better time for the IU portfolio as we saw an outperformance for the following three months of April, May, and June. Q2 was our best quarter not only in relative return but also in absolute return. In the months of April and May, our absolute return was 1.13% and 1.27%, respectively. A large reason for our slight outperformance over the time period was our

underweight position in Energy, a position that hurt us in regards to full year performance. Oil had its worst quarter of the year during this time period, although it was followed by the strong price appreciation in the second part of the year. July was a difficult month for the IU portfolio, as we underperformed the index by 28 bps. That month's performance was mainly due to our overweight position in the retail industry, including Wal-Mart and O'Reilly Automotive. O'Reilly actually finished the year on a very strong note, and we exited the company in November after the bond tightened significantly. Many companies in consumer retail have suffered recently due to continuous pressure from online retailers. Therefore, retailers, such as Walmart, who are able to give their consumers strong online access are well-positioned. We have confidence that our Walmart will maintain its strong credit metrics and stable free cash flow.

"O'Reilly actually finished the year on a very strong note, and we exited the company in November after the bond tightened significantly."

August performance was difficult to assess given hurricane Harvey's late month hit on Houston that hurt industrial production and construction. PMI data for September showed only limited hurricane effects on the manufacturing and service sectors though there are indications of cost pressures. Consumer Discretionary and Healthcare remained strong. The exception was Teva who reported surprisingly disappointing Q2 losses that were primarily blamed on increased competition due to increased FDA approvals. The pricing pressures coupled with the loss of patent exclusivity on a drug that accounted for 25% of their revenue caused Teva to be our worst performing investment by a long shot. The company had also made some expensive acquisitions over the past few years, and the expected synergies did not transpire as quickly as anticipated. In the months of April to November, the credit's OAS had widened 200 basis points from 135 to 335 when we exited the holding. The company was put on watch earlier by the Summer Investment Committee. However, we were unable to get a reasonable quote then. Our expectation was that the patent expiry and pricing pressures were already priced in, and we did not expect the bond to blow out much further at the time. We learned a very difficult lesson that it is important to cut our losses and monitor issues much more closely.

For September, the IU portfolio had relatively flat returns. PMI data for September show only limited hurricane impact on the manufacturing and service sectors. Northrop Grumman Corporation was our worst performer for the month. While we voted not to buy an Nvidia bond, which we deemed overvalued, the IU team agreed we are bullish on different sub-sectors within the technology industry and want to increase our exposure to the technology sector to bring it even with the index. We see strong cash flow potential in some specialized areas and think spreads there still have room to run.

"While we voted not to buy an Nvidia bond, which we deemed overvalued, the IU team agreed we are bullish on different sub-sectors within the technology industry"

We did not end the year on a strong note. We matched the index in October. However, November was a very poor month with 22 bps of underperformance. That was attributable to our our pharma holdings, Teva and Zoetis. Teva, in particular, blew out around 30 bps during this month alone. In addition, our underweight position in energy also added to the underperformance. Enterprise Product Partners, our only energy holding at the time, was one of our best performers. However, our underweight position on the sector left us with lower relative returns. Although performance was not a highlight, the month of November was a busy month as we brought up our exposure to both energy and consumer staples with the purchase of Valero and Clorox. In December, we were almost even with our index and decided to roll over $100,000 of CBS as they executed a make whole call in late November.

Strategic Directions

Looking at the fundamental side of the market, the strong global growth and improving economic backdrop should keep corporate earnings and cash flow on a strong path. That, coupled with corporate tax reform and potential deregulation, creates a healthy outlook for earnings and solid cash flows. Our major concern is that the expected windfalls from the tax overhaul will not necessarily improve company balance sheets. The question is whether the focus of companies will be balance sheet management or passing along the benefits to the stockholders. Investors will be expecting higher dividends and stock buybacks with the passing of tax reform. In addition, stockholders have high expectations that which could trigger companies to resort to inorganic growth in order to support expectations. Overall, the strong expected direction of cash flows and positive effects from the tax bill could be partially offset by excessive dividends, share buybacks, and M&A activity.

The current valuations of investment grade corporates are at post-crisis credit cycle tights. Using history as a gauge, spreads in IG credit are anything but cheap. However, it appears there are still a few industries that have yet to reach their post-cycle tights, including pharma, energy, retail and media. Additionally, when you compare US corporate bond yields to other developed countries such as those in Europe, the US still looks slightly more attractive. Corporations are on a stronger footing than they have been in a decade, and it is reasonable to believe that yields could tighten further given persistent economic growth. We will go forward with a strong concentration on credit selection, picking high quality companies within the sectors where we see various opportunities given the current market environment. Areas of interest include healthcare, where we are currently underweight, due to the uncertainty in the space such as potential

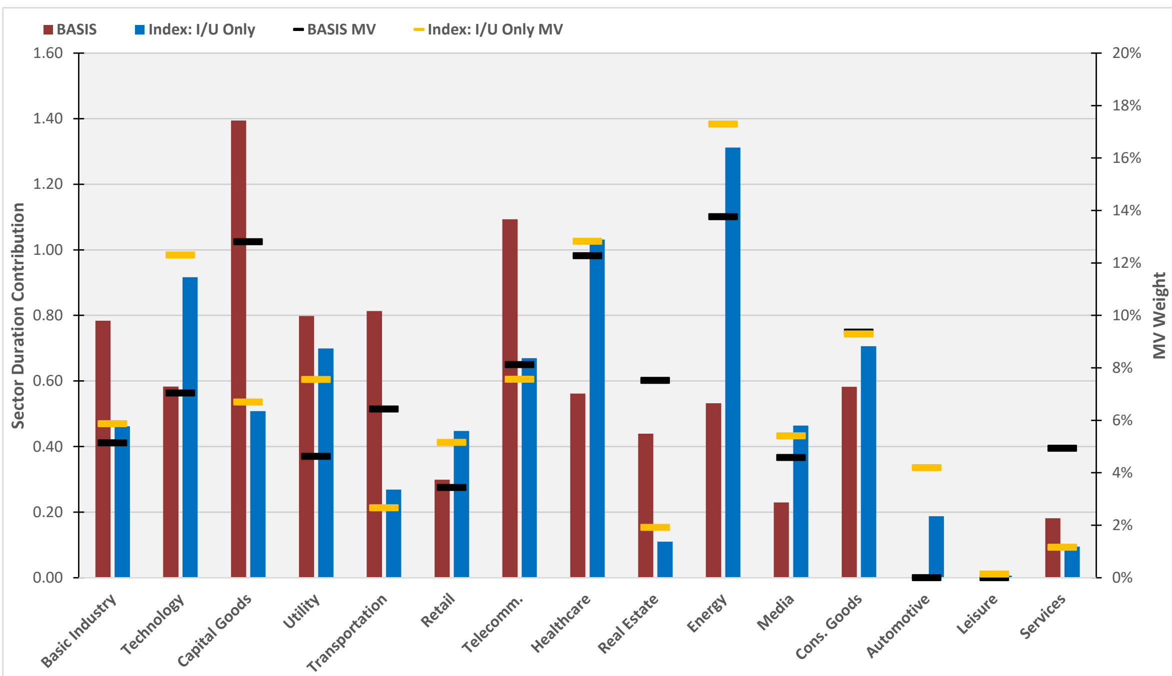
"Although performance was not a highlight, the month of November was a busy month as we brought up our exposure to both energy and consumer staples with the purchase of Valero and Clorox."

"Corporations are on a stronger footing than they have been in a decade, and it is reasonable to believe that yields could tighten further given persistent economic growth."

pricing pressures and government regulation. A lot of political rhetoric surrounding the topic of price gouging have yet to materialize into actual policy. If that persists, there will be numerous companies in the pharma space who could benefit from a lack of legislative intervention. In addition, we are interested in bringing up our exposure to energy, as the price appreciation of oil has been a leading cause of IU's underperformance as of late. Although OPEC has held true to honoring their production cuts at a consistent pace recently, the price of oil is difficult to predict. Therefore, in energy, staying neutral with the index is our primary goal. Even with credit spreads as expensive as they are and many expecting a bearish bond market on the horizon, we still see room for modest tightening due to strong underlying fundamentals and reasonable valuations.

"BASIS is taking several large bets in different sub-sectors across the I/U portfolio. Our goal is to bring down these duration contribution bets and focus on credit selection"

Figure 6: I/U Subindustry Positioning as of December 31, 2017



As illustrated in Figure 6, BASIS is taking several large bets in different subsectors across the I/U portfolio. Our goal is to bring down those duration contribution bets and focus on credit selection.

The small bars represent market weight and the columns represent duration contribution. BASIS is represented by the maroon column and black bar. The index is represented by the blue column and yellow bar. On the left side of the graph are the values for duration contribution and on the right side of the graph are the values for MV weight. The distance between the yellow and black bars shows the under (over) weight of dollar allocation to the subsector. The difference between the blue and maroon columns is the duration contribution under (over) weight for the subsector within the BASIS portfolio

Financials

Figure 7: Financials Return vs. Index

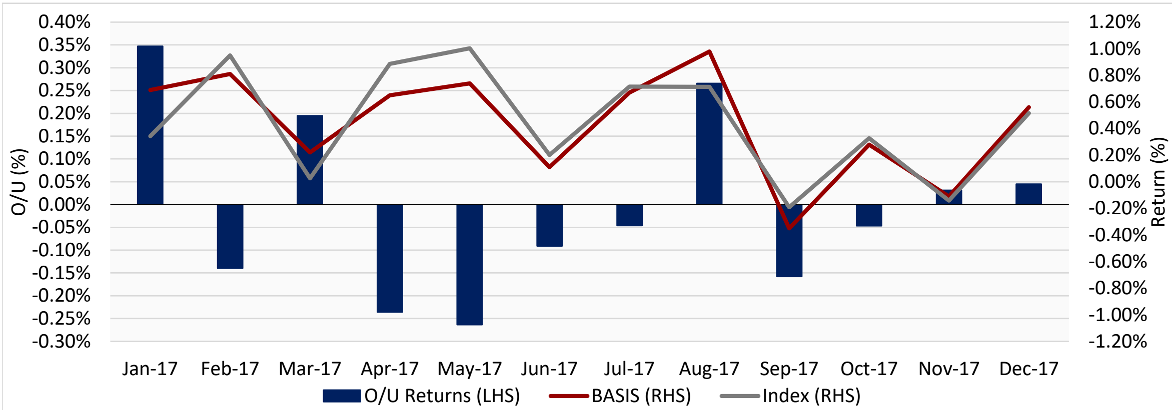


Table 5: Financials Return vs. Index

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 YTD
BASIS	0.69%	0.81%	0.22%	0.65%	0.74%	0.11%	0.67%	0.98%	-0.35%	0.28%	-0.11%	0.56%	5.37%
Index	0.34%	0.95%	0.03%	0.89%	1.00%	0.20%	0.72%	0.71%	-0.19%	0.33%	-0.14%	0.52%	5.47%
O/U Returns	0.35%	-0.14%	0.19%	-0.24%	-0.26%	-0.09%	-0.05%	0.27%	-0.16%	-0.05%	0.03%	0.04%	-0.10%

Sector Overview

In 2017, the Financials portfolio underperformed relative to the index but was one of the better performing sectors in BASIS. Returning 5.37% throughout the year, we came in 10 basis points under the index. Within the Financials portfolio, there is a large concentration of 2-5 year duration bonds. During a year of relatively low inflation below the Fed's target coupled with tightening monetary policy in the form of Federal Funds rate hikes, we experienced a twisting of the yield curve. Our positioning was less than optimal as underweight banking and underweight duration contribution within the insurance subsector hurt us. Our insurance holdings collectively have an industry-level duration of about 2 years which is much shorter than the index's almost 8 year duration within the subsector. During some months that positioning was a source that helped BASIS remain consistent with our index. Our longer maturity bonds, such as our 2044 Blackstone holding, proved to be a relatively consistently strong performer in the midst of the flattening yield curve.

Performance

From January to March, Financials outperformed the Index by 54 bps (1.72% vs 1.18%). As Trump took office in January, the financial sector rallied around expectations of rising interest rates and promises of fiscal stimulus, deregulation, and corporate tax cuts. Most of our outperformance can be attributed to credit selection and strong performance from our overweight position within the Financial Services subsector.

Sector Head:

Mason Ratcliff

Senior Analysts:

Trevor Luong

Mangesh Kulkarni

Junior Analysts:

Jonathan Alexander

Kiran Anche

Grant Griffith

MaKenzie Brooks

Kevin Sheehan

"Returning 5.37% throughout the year, we came in 10 basis points under the index."

"Our shorter duration within the Financials portfolio relative to the index contributed significantly to the poor performance during the month of February"

In February, the Financial sector underperformed the index by 14 basis points. During the month, we purchased a Travelers bond but still remained underweight from a duration contribution standpoint relative to the index after the trade. In February, Treasury yields saw a bear flattener movement with short term rates rising and long term rates falling. Our shorter duration within the Financials portfolio relative to the index contributed significantly to the poor performance during the month. In March, Financials outperformed the index by 19 basis points. Treasury yields on the 3 month to 2 year maturities fell significantly during the month. BASIS maintained heavier exposure to the belly of the curve. More specifically, we had a very strong concentration of bonds in the five year bucket. That was the key driver for our positive results.

With the exception of our strong outperformance in August, we consistently underperformed the index from April through September. In April and May, the Financials portfolio underperformed the index by -24 bps and -26 bps . Some of that underperformance can be attributed to our short duration bonds during a time of substantial flattening in the long end of the curve. During both April and May, our 2044 Blackstone bond was our best performing credit. Our underweight duration in the insurance subsector also serves as another contributor to the underperformance during the two months as the index benefitted from its exposure to longer maturity insurance credits. In an attempt to restructure our Financials portfolio in May, we swapped our 5-year Morgan Stanley bond for a 10-year Bank of America bond. The goal of the swap was to better position ourselves for the expected continued Federal Funds rate hikes and low volatility. In that type of environment, we felt more comfortable with a more diversified bank as opposed to a more pure investment bank. Our longer maturity Bank of America bond provided more exposure to the long end of the curve as well as increased our exposure to the banking subsector. As a group, we wanted to position the portfolio for a twisting flattener movement in the yield curve. Our increased exposure to the banking subsector was short-lived as one of our Wells Fargo bonds matured in June. The Bank of America purchase was a great idea with poor timing execution. June was a rough month for the Financials sector as our portfolio returned only 11 basis points compared to 20 basis points for the index. We believe the primary driver behind the poor performance was uncertainty regarding regulation changes. The ongoing debate regarding potential deregulation in areas such as leverage ratios, stress testing, and capital adequacy ratios was most likely viewed very negatively by bondholders.

August was a very strong month as our earlier positioning paid off, outperforming the index by 26 basis points. Our longer-dated bonds contributed heavily to our

return as they were able to take advantage of falling long term rates. Our overweight exposure to financial services also contributed to the outperformance as that was a strong month for investment managers. In September, we saw a sharp increase in long term rates. Our overweight duration positioning within financial services hurt us badly with rising long term rates. The returns for Blackstone and AMG combined contributed to more than 70% of our negative return contribution for the month. Financials underperformed the index by 5 basis points in October. Despite strong performance from our longer maturity holdings, our shorter maturity bonds were negatively affected by rising rates in the short end of the curve. Our shorter maturity holdings suffered in October as there was a large increase in 1-3 year Treasury Yields. All three increased by a minimum of 10 basis points. With unfavorable yield curve movements, our 2019 AMTD and JPM bonds were very poor performers. Our Blackstone bond maturing in 2044 was our best performer for the month. Our shorter durations in both the insurance and banking subsectors significantly hurt our returns. In November, Financials outperformed the index by 3 basis points. That was mostly driven by our higher duration within the Financial Services subsector relative to the index. Increases in short term rates proved to have a stronger negative effect on the Index's Financial Services holdings than BASIS'. The significant progress achieved regarding tax reform in early November likely had a substantial effect on the Banking subsector. However, that most likely did not affect all types of banks the same. Our specific credits within banking most likely aided our outperformance during December. Financials outperformed the index by 4 basis points. During the month, a sweeping $1 trillion tax bill was passed. That sparked a lot of optimism within Financials and the broader economy given its properties of lowering the corporate tax rate and reducing many of the marginal tax brackets to stimulate the economy. With the exception of the 20 and 30 year maturities, Treasury yields rose significantly across the board.

Strategic Directions

With the new tax overhaul, consumers will most likely have more discretionary income. The same should apply for corporations with the reduction of the corporate tax rate to 21%. The real question is how will consumers and corporations react? As a group, we expect companies will continue to be very shareholder friendly with dividends and share buybacks. We will keep that in mind as we evaluate potential credits to add to the portfolio. We also believe that with the increase to corporations' bottom lines, the net present value of potential projects will increase. In addition, they will be able to fund a larger portion of those projects from their

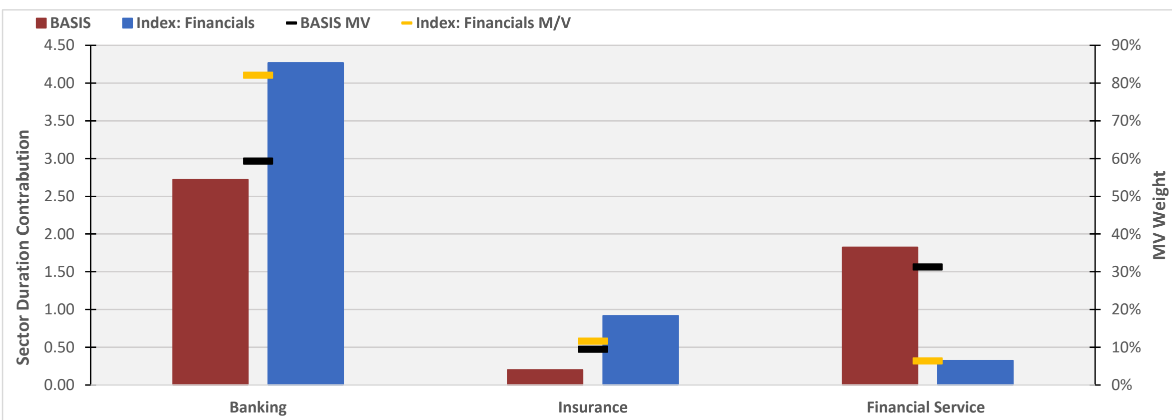
"Our overweight duration positioning within financial services hurt us badly with rising long term rates."

As a group, we expect companies will continue to be very shareholder friendly with dividends and share buybacks. We will keep that in mind as we evaluate potential credits to add to the portfolio.

earnings as opposed to accessing the capital markets for cash. That would be net negative for banks heavily focused on commercial lending. On the other hand, banks should be able to capitalize on the increased after-tax wealth for consumers due to the stimulating tax reform. We currently view our underweight positioning within Banking to be less than optimal going into 2018. The drivers for regional community and retail banks can vary significantly from the drivers of large diversified banking institutions. Because nearly 80% of the financials portion of the index falls under a very broad banking subsector, it is imperative that we make bets on the specific banks operating in the specific industries on which we are bullish given the current and expected economic landscape. We feel that large diversified banks provide us with a natural hedge due to the wide reaching segments that they operate in. In addition, we aren't comfortable with our severely underweight positioning within insurance. In the coming months, we have multiple analysts that are likely to pitch a financials company. That will give us the opportunity to start the new year by rebalancing the portfolio to better represent our Financial Sector outlook.

"Because nearly 80% of the financials portion of the index falls under a very broad banking subsector, it is imperative that we make bets on the specific banks operating in the specific industries on which we are bullish given the current and expected economic landscape."

Figure 9: Financials Subindustry Positioning as of December 31, 2017



We want to adjust our current positioning within the subsectors of our financial sector. Our most important priority in the financial sector is to bring up our duration contribution in the banking subsector.

Sovereigns, Agencies and Supranationals (SAS)

Sector Head:

Jon Vaughan

Analysts:

Devan Gallimore

Alex Mello

Alex Franck

Junior Analysts:

Ali Nayfeh

Patrick Marcinko

Elianna Gerb

Figure 10: SAS Return vs. Index

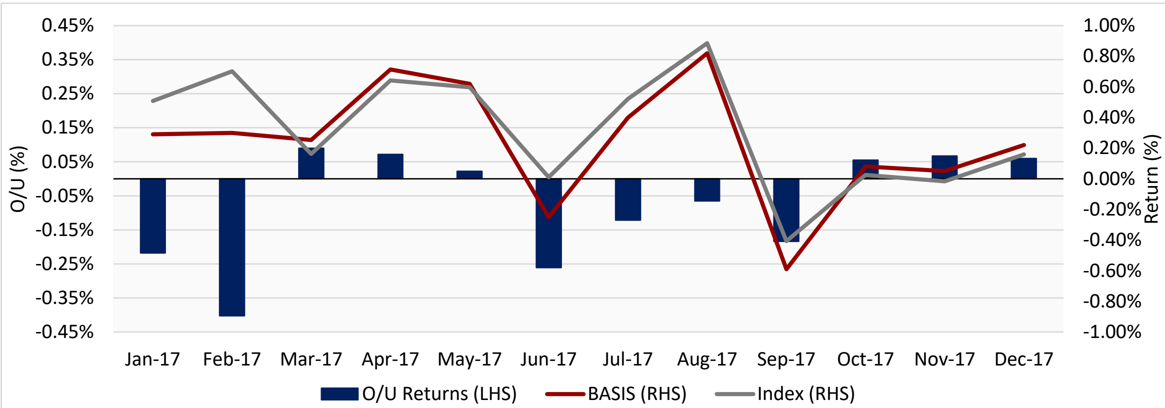


Table 6: SAS Return vs. Index

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 YTD
BASIS	0.29%	0.30%	0.25%	0.71%	0.62%	-0.25%	0.40%	0.82%	-0.59%	0.08%	0.05%	0.22%	2.94%
Index	0.51%	0.70%	0.16%	0.64%	0.60%	0.01%	0.52%	0.89%	-0.41%	0.03%	-0.02%	0.16%	3.85%
O/U Returns	-0.22%	-0.40%	0.09%	0.07%	0.02%	-0.26%	-0.12%	-0.07%	-0.18%	0.06%	0.07%	0.06%	-0.91%

Sector Overview:

In recent history, BASIS maintained a shorter duration contribution position relative to our SAS index with a larger exposure to agency credit and less exposure to foreign sovereign securities, supernationals, and taxable municipal debt. That positioning has been a result of a combination of portfolio strategy focused more on corporate credit, our difficulties finding credit rated within our investment guidelines, and lastly our inability to execute trades on successful buy pitches within the sovereign space. BASIS's ability to access this market has been limited due to difficulties in obtaining the smaller position sizes needed for a fund of our size. Our position size within SAS ranges from as little as $30,000 to as large as $125,000. Often we find SAS securities have minimum position limits above that threshold making them inaccessible. However, late in 2017, BASIS attempted to increase our position within SAS by obtaining credits within Foreign Sovereigns and US Taxable Municipal bonds. Those bond acquisitions brought our market value position within Foreign Sovereigns closer to our index, while Taxable Municipals increased to an overweight position in both duration and market value contribution. Agency-backed debt still accounts for our largest sub-sector within our SAS portfolio accounting for a 60% market value weight and an overweight duration contribution. It is our belief that the acquisitions will help us recapture some of the missed value within emerging markets that our benchmark index tracks, and by taking a more risk-on position, we will be able to obtain more value away from tight domestic credit markets driven by a continued equity rally.

"Our position size within SAS ranges from as little as $30,000 to as large as $125,000, often we find SAS securities have minimum position limits above that threshold making them inaccessible."

"Our municipal California revenue bond saw strong performance as similar maturity California G.O. bonds received a favorable AAA rating from Fitch at issuance."

Performance:

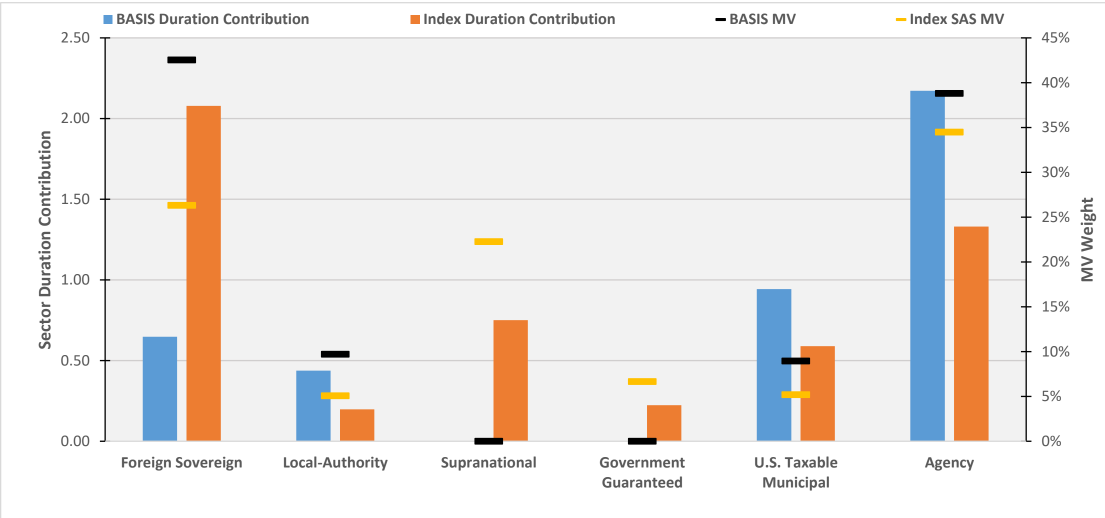
SAS underperformed by 91 basis points relative to the index in 2017, returning 2.94% for the year. However, the sector returned more than in 2016 and performed well as a whole. Early year underperformance was driven mainly by our underweight contribution within Sovereigns as Agency and Municipal debt did not tighten as much as Sovereigns did, and one of our holdings (TVA) sold off slightly. Going into the mid-year, our SAS portfolio performed well in the beginning of the second quarter before running into problems starting in June. US agencies tracked the twisting flattener being observed within the Treasury yield curve. In contrast to the rest of the emerging market sovereigns, our Qatar holding saw underperformance resulting from its high exposure to political risk last year as a Saudi led coalition of the UAE, Bahrain, and Egypt cut diplomatic ties over allegations of state-sponsored terrorism by the Qatari government. The negative effects of the political crisis began to subside entering the fourth quarter of 2017 contributing to improved performance of our holding. Additionally, recovering oil markets continued to feed investor capital flows into emerging markets in record numbers. Our municipal California revenue bond saw strong performance as similar maturity California G.O. bonds received a favorable AAA rating from Fitch at issuance.

Strategic Direction:

"Going into 2018, the Rates team would like to expand our exposure to the SAS market in a continuation of the direction set during 2017."

Going into 2018, the Rates team would like to expand our exposure to the SAS market in a continuation of the direction set during 2017. It is unlikely that the liquidity challenges mentioned above will dissipate. However, through careful security selection with an improved emphasis on accessibility, we are confident in our analysts' ability to find relative value in the space. Through better training and by stressing liquidity during the security selection process within SAS, the group's time and resources may be spared from the futile exercise of successful though ultimately unobtainable pitches witnessed in the past. It is not enough to find appropriate value within a credit if that credit is not accessible to the fund. Additionally, the Rates team would like to see an expansion of our fund's exposure to value within the emerging market. The emerging market is typically overlooked during our credit selection process due to credit quality concerns as well as the aforementioned accessibility problems. It is our belief, however, that BASIS may gain indirect exposure to the emerging market through supranational credit issuances by organizations such as the World Bank, International Monetary Fund, European Development Bank, or the African Development Bank to name a few. Supranational credit is currently unrepresented within the BASIS portfolio while our index maintains a 12.5% market value position. Gaining exposure to supranational credit again will help bring the fund more in line with our index while allowing us to benefit from its inherent indirect sensitivity to the Emerging Market.

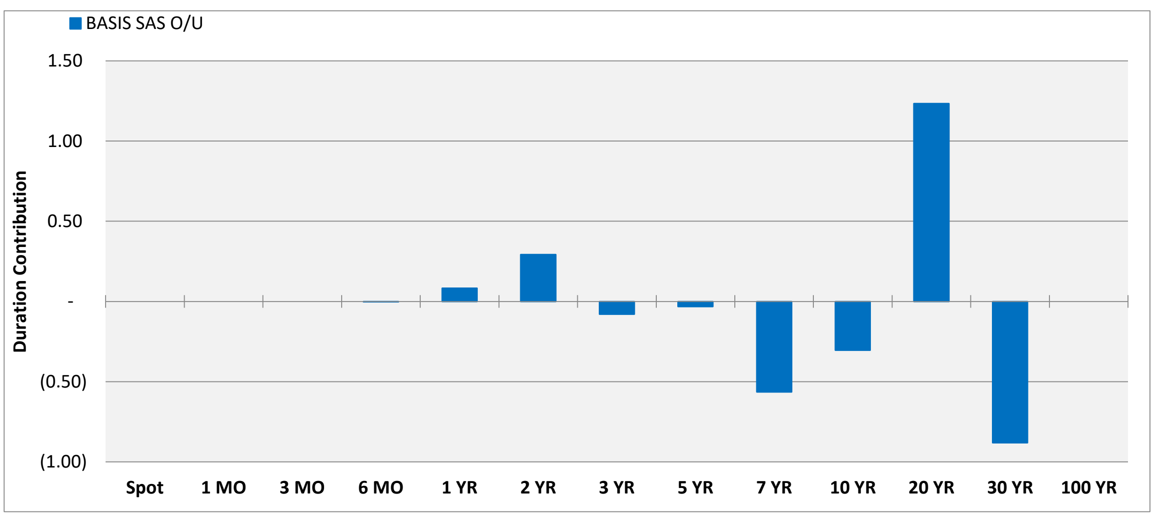
Figure 11: SAS Subindustry Positioning as of December 31, 2017



Currently, we are taking several large bets across the various subsectors in SAS. Since the SAS sector is smaller than the other sectors, we have to make sure we are strategic in the holdings that we buy, because each purchase will drastically change the position we take in each subsector.

"Gaining exposure to supranational credit again will help bring the fund more in line with our index while allowing us to benefit from its inherent indirect sensitivity to the Emerging Market."

Figure 12: SAS Duration Contribution over/under positioning by maturity as of December 31, 2017



"We are taking several large bets across the various subsectors in SAS. We plan to bring these bets as close to even as we can."

Sector Head:
Jon Vaughan

Analysts:
Devan Gallimore
Alex Mello
Alex Franck

Junior Analysts:
Ali Nayfeh
Patrick Marcinko
Elianna Gerb

"One of the major stories in 2017 was the Fed's decision to begin the unwind of its balance sheet in October, as well as an announcement by the ECB President Mario Draghi of a taper in its asset purchase program."

Treasury

Figure 12: Treasury Return vs. Index

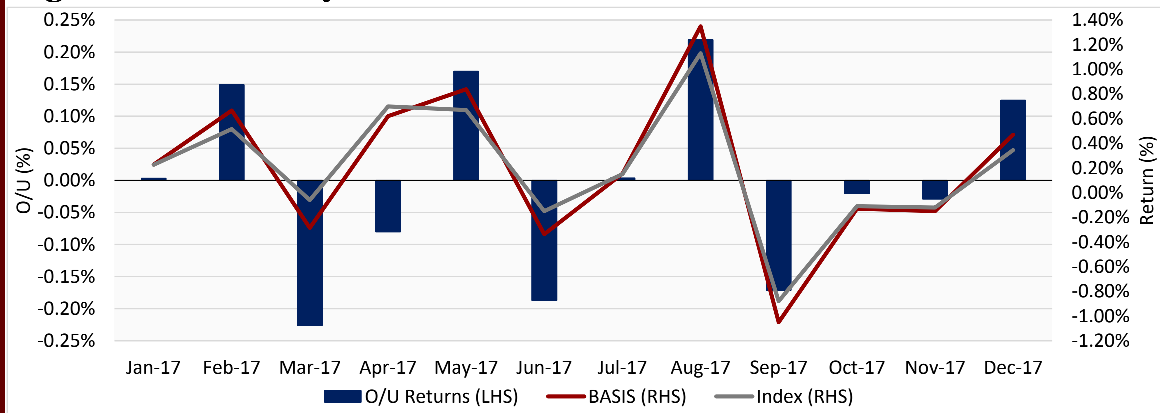


Table 7: Treasury Return vs. Index

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 YTD
BASIS	0.23%	0.67%	-0.28%	0.62%	0.84%	-0.34%	0.16%	1.35%	-1.05%	-0.13%	-0.15%	0.47%	2.38%
Index	0.23%	0.52%	-0.06%	0.70%	0.67%	-0.15%	0.15%	1.13%	-0.88%	-0.11%	-0.12%	0.35%	2.43%
O/U Returns	0.00%	0.15%	-0.23%	-0.08%	0.17%	-0.19%	0.00%	0.22%	-0.17%	-0.02%	-0.03%	0.12%	-0.05%

Sector Overview

The US Treasury curve experienced a twisting flattener throughout 2017 with a slight steepening towards the end of 2017 as the short term rates were pushed up by rate hikes, capital flows, and central bank balance sheet actions.

We saw three rate hikes by the FOMC in 2017 with the effective Federal Funds rate now residing in a 1.25% to 1.5% range. The rate hikes were supported by strong US employment figures throughout the year with the United States reaching near full employment towards the end of the fourth quarter 2017. In contrast to that, however, core PCE inflation has remained below the Federal Reserve's 2% target over the 2017 period with expectations for 2018 continuing under 2% in the near to long term. Reasons for those observed under-target inflation levels are unclear, but it is thought that a reduction in wage growth, combined with the downward pressure that technology has put on price levels are contributing factors.

One of the major stories in 2017 was the Fed's decision to begin the unwind of its balance sheet in October, as well as an announcement by the ECB President Mario Draghi of a taper in its asset purchase program. The ECB will cut its monthly asset purchases from 60 billion Euros to 30 Billion Euros. That is a step back from the accommodative policy that has been the norm since the Central Bank started its program in the wake of the 2008 financial crisis. Likewise, the Federal Reserve decided to begin the reduction of its $4.5 trillion dollar balance sheet with the increasing "roll off" of securities. The roll off started with letting $6 billion of Treasuries and $4 billion of mortgage-backed securities mature off

its balance sheet increasing gradually to $30 and $20 billion, respectively. The roll off started with letting $6 billion of Treasuries and $4 billion of mortgage-backed securities mature off its balance sheet increasing gradually to $30 and $20 billion, respectively. The majority of the securities on the Fed's balance sheet have a maturity of less than 5 years and the policy will continue into and potentially beyond 2018. Unwinding the balance sheet has been reflected in the Treasury market with an upward pressure being observed on rates shorter than 5 years where the Fed has been conducting its reinvestment activities thus far.

"Unwinding the balance sheet has been reflected in the Treasury market with an upward pressure being observed on rates shorter than 5 years where the Fed has been conducting its reinvestment activities thus far."

Performance

The Treasuries sector performed closely to the index in 2017 underperforming by approximately 8 basis points. The majority of the underperformance can be attributed to poor returns in the late third and majority of the fourth quarter. Our U.S. Treasuries' performance was negatively affected by our underweight position in the long end of the curve that tightened over the course of the year. Tightening in the long end was driven by the continued under target inflation numbers mentioned above and as the trend began to appear more than transitory.

In the month of January, the Treasury sector performed close to even with the index due to little yield curve movement and due to the fact that BASIS didn't have any large bets in any maturity bucket. February was a great month for the sector, because the 2s-30s spread tightened significantly and BASIS had excess exposure in the thirty year maturity bucket. March was the worst month for the Treasuries sector from a relative standpoint, because the three and five year Treasuries tightened significantly and BASIS was very underweight in those maturities buckets. The Treasuries portfolio underperformed the benchmark for the 6 months beginning in April 2017 by 1 bp. We benefited from adjusting our portfolio by going overweight duration. Long-end yields fell as inflation continued to print under the Fed's 2% target. In June, we experienced our only month of underperformance in the second and third quarters (-19 bps). Comments from ECB President Draghi hinting at a possible taper of their QE program, sent curves around the world sharply steeper. Being overweight duration in both the total BASIS portfolio and the Rates portfolio negatively affected us.

"BASIS is in the process of adjusting our curve positioning to become less sensitive to the rising short term interest rate environment."

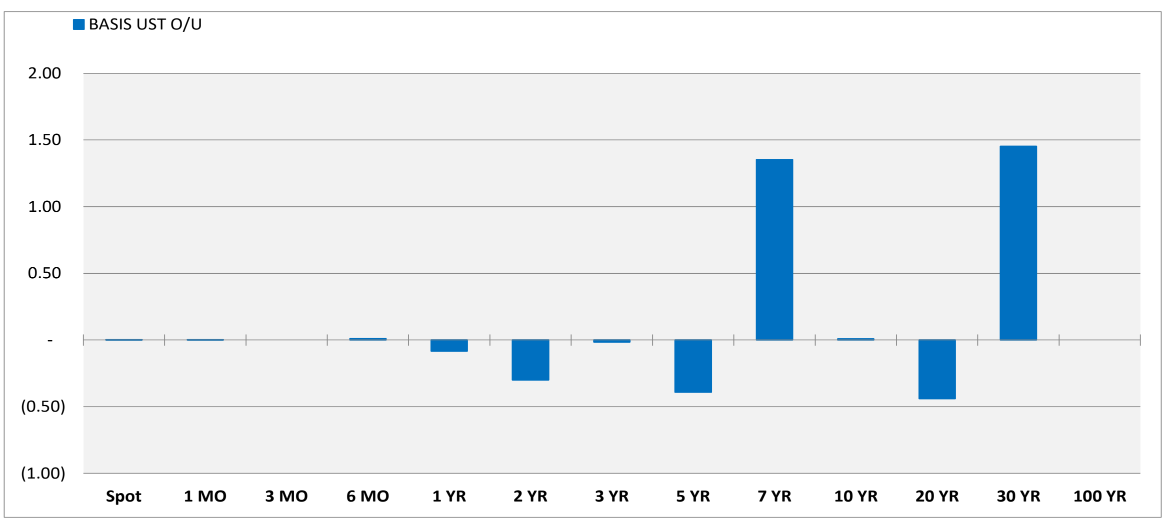
The ECB was quick to claim that markets misinterpreted Draghi's comments helping yield curves in the U.S., Europe, and Japan resume their flattening trend. The U.S. yield curve is now flatter than pre-election levels, and we believe it has the possibility to continue this trend. September saw the U.S. Treasuries curve steepen following the more hawkish tone from Fed officials and the long awaited tax reform proposals from the Trump administration.

"The Rates team expects the US economy to continue to operate at full employment and market conditions continue to be supportive of the projected 3 to 4 rates hikes by the FOMC for 2018."

Strategic Direction

BASIS is in the process of adjusting our curve positioning to become less sensitive to the rising short term interest rate environment. We currently have an overall portfolio duration of 6.94, overweight 2.88% relative to our index. While our overweight duration position as a portfolio is not aligned with our thesis of rising rates, it has been a necessary concession to achieve our desired portfolio shape of being underweight the short end and overweight the belly of the curve. Over the course of 2018, we plan to reduce our overall portfolio duration by selling Treasuries where appropriate until our duration aligns with our thesis. The group's short-term macroeconomic outlook is supportive of continued growth within the U.S. economy as consumers and firms begin to see the tailwinds of Congressional tax reform throughout 2018. A stronger U.S. dollar is expected to be reflected in declining international demand within the U.S. manufacturing sector while we will continue to observe increased capital flow to the U.S. credit markets as investors search for yield. One of the knock-on effects of funds repatriation under the new tax legislation will result in a decrease in issuance within U.S. corporate credit which is credit positive for bond holders. The Rates team expects the U.S. economy to continue to operate at full employment and market conditions continue to be supportive of the projected 3 to 4 rates hikes by the FOMC for 2018. Longer term, the Rates team expects a recession because the economy is currently in the longest period of expansion in U.S. history.

Figure 13: Duration Contribution O/U vs the Treasury Index as of December 31, 2017



Furthermore, Fed tightening will cause rich asset values to correct within the next 12-24 months. Our long term view, in addition to our belief that inflation will be structurally lower in the future, is dictating our current view and our bear flattener positioning.

Closing Section

Placement

BASIS had another strong and impressive year for placement. BASIS continues to hold its 100% job placement statistic. Through the coaching of our senior members, our younger members were able to receive many offers from their top choices. Below is a list of where the 2017 members of BASIS will be this summer.

Company	Service Line	Name
Spring 2017 Graduates		
Accenture	Management Consulting	Kevin Musco
Burdette, Smith and Smith	Auditing	Jaka Muhar
Capital One	Financial Analyst Rotation Program	Evan Christian
EY	Risk Advisory	Eddie Gerow
Freddie Mac	Capital Markets	Neill Frazier
Goldman Sachs	Investment Banking	Zarek Stafford
KPMG	Deal Advisory	Taylor Griffith
Leiods	Financial Analyst Rotation Program	Dimitri Orfanopoulos
Fall 2017 Graduates		
BB&T	Investment Banking	Danny Murray
Citibank	Sales and Trading	Debbie Cadenas
Credit Sussie	Securitized Products	Cameron Maples
Goldman Sachs	Private Wealth Management	Peter Wilson
The Carlyle Group	Private Equity Buyout Team	Mark Edwards
Spring 2018 Graduates		
Deloitte	Auditing	Mike Orcutt
EY	US Government Consulting	Jon Vaughan
Freddie Mac	Capital Markets	Joey Delpercio
Goldman Sachs	Sales and Trading	Alex Woodward
Nielson	Financial Analyst Rotation Program	Carly Primo
U.S. Army	Air Defense Artillery Program	Devan Gallimore
Graduation Class of Fall 2018 or later (Internships)		
Bank of America	Private Wealth Management	Sara Valtonen
BB&T	Investment Banking	Quillin Gaffey
Bronfman Rothschild	Private Wealth Management	Olivia Hsu
Citibank	Capital Markets	Mason Ratcliff
Citibank	Sales and Trading	Alex Franck
Citibank	Sales and Trading	Katie Kullmann
Citibank	Sales and Trading	Tucker Roberts
Goldman Sachs	Sales and Trading	Adam Azzam
JP Morgan	Sales and Trading	Mangesh Kulkarni
Morgan Stanley	Bank Resource Management	Tristan Lau
Wells Fargo	Investment Banking	Ian Beskin

Special Thanks

BASIS is very thankful for the help and support we receive from the Virginia Tech Foundation, the Pamplin College of Business, and the Virginia Tech Finance Department. Additionally, we would also like to thank the BASIS Advisory Board and our alumni across the country for their ongoing guidance in the organization's direction and in our strong career placement. BASIS is very grateful to an anonymous donor who established the BASIS Alumni Excellence Fund in April 2017 with a $100,000 matching challenge to alumni. Alumni have responded with great generosity.

We are proud that over 33% of BASIS alumni have made donations to the VT Foundation, a percent giving rate that is several times larger than the average for the university or the Pamplin College. We are grateful for the continued support that we receive from our corporate sponsors and individuals who provided major funding and resources, including the following:

Altria
Bloomberg
Goldman Sachs
JP Morgan/Chase
Wells Fargo
Greg Cole
Mike Dawson
Kevin Klose
Rollin Lynn
Ben Marshall
Alex Navin
Greg Poos
Brian Steele
RJ St Thomas
Michael Vuong
Stuart Vyule
Jason Weiskopf
Tyler Wilson
Hance West

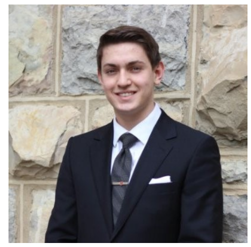
Finally, we would like to extend a huge thanks to all the team members of BASIS for the countless hours they put day in and day out to make BASIS a better organization when they first received an offer to be a part of BASIS. Dr. George Morgan is the reason why BASIS is where it is today and we cannot thank him enough for what he does for us. He always puts BASIS' needs ahead of his own, and we are forever grateful for that. BASIS has grown into an even smarter and better connected group in 2017, we hope to continue that trend in 2018.

Management Team

The management team members responsible for the performance are:

Mike Orcutt has served as one of the Co-CEO's of the group since November of 2016.

Orcuttmp@vt.edu

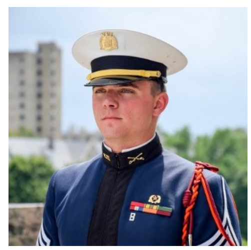


Ian Beskin has served as one of the Co-CEO's of the group since November of 2017.

Ian15@vt.edu

Joey Delperico has served as the CFO of the group since November of 2016.

joeydel@vt.edu



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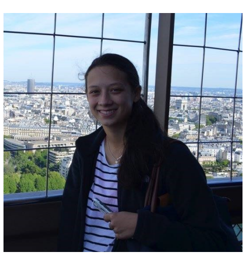

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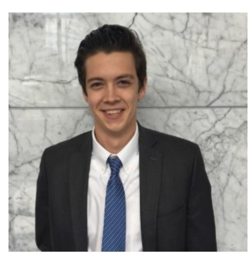

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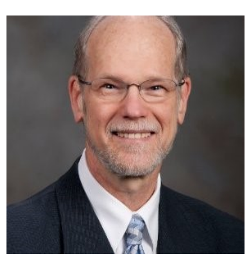

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