



## Letter from the President

To Our Stakeholders:

QFG has undergone a remarkable evolution in the past six months as we have pursued our vision to become the leading student-run investment group in the Ivy League. On behalf of the Management Committee, I am writing to you to provide a brief midyear report.

In my vision, I see QFG as an investment community. One that includes our active members, passive investors, and soon, our alumni. To all that passively invest in our fund, thank you for placing trust in our management. To our Partners, thank you for your leadership. To our Associates and Analysts, thank you for dedicating your time to the Group. My top priority as President is to serve this community to the best of my ability. I want everyone that spends time with us to make a “return” in some way – through education, through financial reward, through a new vibrant network of peers, through mentorship, etc.

I am proud that we have chosen to employ the the Quaker model of consensus decision-making. In our Sunday meetings, we strive to make our discussions agreement-seeking, collaborative, and participatory. This allows each member, regardless of their rank, level of knowledge, or experience, to contribute in some way – we are all here to learn.

One year ago, the Group started with a fund of just under \$25,000. After I started my role as Managing Partner last fall, we raised our AUM to over \$80,000. Today, I am proud that we yielded 8% until the end of January. However, at the turn of the month, we faced an extreme market shock that reversed our strong performance. Nevertheless, we celebrate that for QFG Fund III, we now manage over \$150,000 and expect to recuperate and exceed previous returns.

If we take a look at our competitors, we are beginning to outshine most. At Penn, most finance-related organizations provide just virtual ways to practice investing. Furthermore, the

only established group that does invest in real securities, manages less than one-fourth of our AUM. And the large Ivy League wide groups are too bureaucratic and decentralized, and have low ratios of AUM per member. We are unique in our lean size and structure, which allows us to react quickly both in our management and our investing in addition to placing real responsibility with each member. We provide a value proposition to Penn students and others that we must continue to build for future members of our community.

As this year's juniors can attest, recruiting deadlines are moving earlier and competition at top companies is only growing. Many of our juniors will be working at leading firms this upcoming summer. However, we must build a wealth of resources readily available for our active members to ensure intergenerational success of QFG members. Our COO is leading several new education initiatives, our first ever QFG Bootcamp took place this weekend, for example. The creation and organization of guides for both our investment strategies and for recruiting will be imperative in building a "QFG Library" of sorts.

Looking forward, I would like to again set ambitious targets in order to be held accountable. First, a Fund III share price of at least \$10.10 by May 1<sup>st</sup>, 2018 (each investment made in September 2017 is now accounted for as originally \$10.00/share). Second, a 100% career placement rate for active members. If you dedicate time to learning investing with our Group, I would like to promise that we will help you reach your professional aspirations. This goal is important because improving mentorship and education is required to achieve this.

Lastly, I envision QFG Fund IV holding an offering size of \$200,000 AUM. What a milestone that will be. And in tandem, as we fundraise next fall, it will be crucial to value diversity in our recruiting outreach. Diversity is important because we do not want to miss out on students passionate about finance who come from non-traditional backgrounds. We must commit to finding the future members that best represent the virtues of a good investor: intellectual curiosity, strong work ethic, and a passion for the fascinating ways that finance can shape our economy and society.

Cheers to investing the Quaker way.

Sincerely,



Nile Nwogu  
President and Managing Partner  
Quaker Finance Group