



News Release
Office of University Relations

Contact: Jennifer Hill
April 26, 2017

NOTE: A photo is available at <http://photolab.etsu.edu/images/TVA-InvestmentChallengeProgram/>. Pictured (left-right) are John Thomas, TVA chief financial officer; ETSU team members Andrew Doran and Genevieve Kupritz; Dr. William Trainor Jr., ETSU professor of finance; Bill Johnson, TVA chief executive officer; and Tammy Wilson, TVA treasurer and chief risk officer.

Pictured in a second photo, available at <http://photolab.etsu.edu/images/TVA-InvestmentChallengeProgram/001.jpg>, are all of the ETSU team members; from left-right, they are Yujie Liu, Rui Gao, Jindong Yu, Lingxin Li, Elliot Stone, Xinying Han, Dr. William Trainor Jr., Daniel Caldwell, Genevieve Kupritz, Chase Huskey, Christa Bard, Andrew Doran and Derek Samples.

ETSU team among those delivering solid performance in 2016 TVA Investment Challenge

JOHNSON CITY – A team of East Tennessee State University business students performed well in the 2016 Tennessee Valley Authority Investment Challenge Program (ICP) and was among just four Tennessee institutions that outperformed the S&P 500.

Across the TVA’s service territory, participating university students delivered positive returns, collectively earning an 8.3 percent return on their investments.

Nine student teams produced strong, double-digit returns in 2016, four of which outpaced the S&P 500 on the year, earning performance awards for their respective universities. Those which outperformed the S&P in 2016 and their returns are Trevecca Nazarene University, Nashville, with 18.7 percent; ETSU with 18.6 percent; the University of Tennessee-Knoxville with 16.7 percent; and Christian Brothers University, Memphis, with 14.1 percent.

“The markets gave investors some interesting dynamics to navigate in 2016,” said Tammy Wilson, TVA vice president, treasurer and chief risk officer. “Our ICP students demonstrated sound financial discipline in their portfolio management to once again deliver solid results for TVA and the people of the Tennessee Valley.

The ICP is a partnership between TVA and 25 universities in the federally owned utility’s seven-state service area that provides a unique, hands-on experience in financial asset management where student teams can earn performance-based awards to enhance business school resources.

Since the program was launched in 1998, students have earned more than \$1 million in performance-based awards. Universities use performance awards to improve their business programs through infrastructure enhancements, scholarships and research subscriptions.

Student teams actively manage live stock portfolios for TVA, designing long-term investment strategies and selecting investments under the guidance of faculty members and within investment guidelines established and monitored by TVA. Students have collectively outperformed the S&P 500 total return of 5.67 percent by 15 basis points – a 5.82 percent return for the program since it was established.

The ETSU team, which is currently managing more than \$500,000, is the only team out of 25 that has outperformed the S&P 500 for the last two years.

“Only four schools outperformed the S&P 500 last year, and this is in line with professionally run funds, as well, as 70 to 80 percent of actively managed funds underperform their benchmarks each year,” said Dr. William J. Trainor Jr., a professor of finance in the ETSU Department of Economics and Finance and advisor to ETSU’s ICP team. “Over the last 15 years, 92.5 percent of large cap funds have underperformed.

“ETSU, on the other hand, has outperformed the S&P 500 since its inception in 1998. It has also outperformed the last three, five and 10 years, and has outperformed the S&P 500 in nine of the last 12 years. In addition, this is the ninth time in the last 12 years that ETSU has been a top 10 performer in the TVA Investment Challenge, with two second places, two thirds, a fourth and a seventh.”

“This is really outstanding work by the ETSU team over time, and is an exceptional opportunity for our students,” added Dr. Edward Baryla, chair of the Department of Economics and Finance.

Members of the ETSU team are Christa Bard, Daniel Caldwell, Andrew Doran, Rui Gao, Xinying Han, Chase Huskey, Genevieve Kupritz, Lingxin Li, Yujie Liu, Derek Samples, Elliot Stone and Jindong Yu.

More than 8,500 students have participated in the ICP since it began, and a number of them have been hired by TVA and other employers in the region after graduation.

In addition to the schools listed above, participating institutions are Alabama A&M, Austin Peay State, Belmont, Lipscomb, Middle Tennessee State, Mississippi State, Murray State, Tennessee State, Union, Vanderbilt, Western Carolina and Western Kentucky universities, along with Mississippi University for Women, Tennessee Tech and the universities of Alabama-Huntsville, Kentucky, Memphis, Mississippi, North Alabama, Tennessee-Chattanooga and Tennessee-Martin.

For more information about the ICP, visit www.tvainvestmentchallenge.com or follow #TVAICP on Twitter.

###