APM Quarterly

2nd Quarter 2003

a publication of Applied Portfolio Management, KU School of Business

APM Portfolio Performance: 40%

APM Returns: 2nd Quarter 03 – 40% 12 Month – 73%

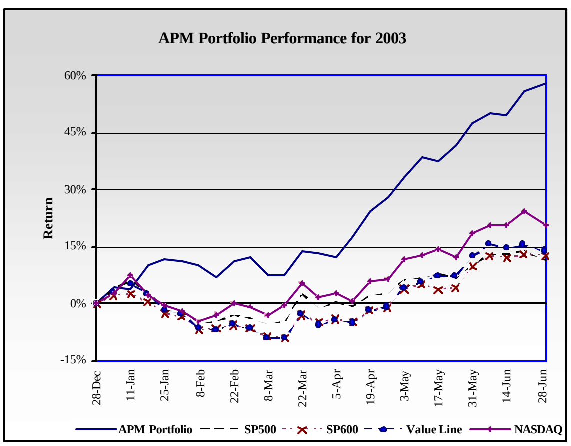
All About the APM Portfolio

The APM portfolio ended the 2nd quarter 2003 at $420,929 - up 40% for the quarter, 58% for the year-to-date, and 73% over the last four quarters. In this newsletter we present some of the detailed statistics about the risk and return profile of the portfolio and its component stocks.

The returns for the past year are detailed below.

	1st Quarter Return	Total Return YTD	2nd Quarter Return	Latest 4 Quarters	Weekly Average Return	Standard Deviation	Portfolio Correlation with Index	Portfolio Beta with Index:	r^2
SP500	-1%	11%	13%	-2%	0.4%	2.7%	0.348	0.367	0.121
SP600	-5%	13%	18%	-4%	0.5%	2.5%	0.527	0.600	0.278
Value Line	-6%	14%	21%	-8%	0.5%	2.8%	0.490	0.495	0.240
NASDAQ	5%	20%	14%	11%	0.8%	3.1%	0.296	0.266	0.088
APM	**13%**	**58%**	**40%**	**73%**	**1.8%**	**2.8%**			

The chart also shows the risk profile of the APM Portfolio. The standard deviation column measures the total risk of the portfolio. At 2.8% the APM portfolio is about as risky as the other market measures and less risky than the NASDAQ's 3.1%. The Portfolio Beta column shows the APM portfolio's beta using the S&P 500, the S&P 600, Value Line, and the NASDAQ as proxies for the market. No matter which index is chosen to measure the Beta risk, the APM portfolio is below one. Finally, the r^2 and correlation columns show how closely related the APM portfolio is to the different indices. From these columns we can see that the small cap index, S&P 600, is the most closely related.



All About the APM Portfolio con't. on page 2

A Message from Professor Catherine Shenoy

Thanks to our students, friends, and alumni, quite a few of APM's holdings have had exceptional gains this year, and the portfolio overall is up over 73%. The focus of this newsletter is a look at the numbers for the portfolio and each of the holdings in greater detail. We also have made some changes to the APM website to provide more timely reporting of the portfolio performance and holdings.

See the first of several updates at APM Portfolio or click on the Portfolio button at our main site http://www2.bschool.ukans.edu/apm/index4.html. Another change that we will feature is our independent student research. Each week we will post the best case analysis under the Research link on the APM webpage. Bookmark the APM page and find some new investment ideas coming up over the next year.

As I start on my third year of teaching APM with **Kent McCarthy**, I feel very fortunate to have had such a wonderful and educational experience.

Professor Shenoy, con't. on page 6

Look how our stocks have done

The APM portfolio returned 40% in the 2nd quarter and 73% over the last twelve months. This performance is not adjusted for the basketball scholarship or any expenses and would be slightly higher with the adjustment. The portfolio value on June 30 stood at $420,929.

To put these numbers in perspective: The SP500 returns were 13% and -2% over the same period. In the July 7th WSJ Mutual fund report, the APM portfolio would rank 5th for the quarter and in the top 10 for the year of all funds. Almost 6000 funds are ranked.

In addition, since June 30 the portfolio is up another 7%, valued at $450,742.57. The APM website now contains up-to-date portfolio information. The address is: http://www2.bschool.ukans.edu/apm/portfoliotyped.shtml.

Check out our website for up-to-date information www2.bschool.ukans.edu/apm/index4.html

Inside This Issue

2003 Realized Gains and Losses

A large part of the success of the APM portfolio in 2003 has been due to our realized gains of $107,112, primarily in Sohu and Chinadotcom. We retain significant positions in both companies, but we have also sold to realize gains from these stocks as they have increased over the semester. From the end of 2002, Sohu has increased in price from $6.16 to $34. Over the same period, Chinadotcom has increased from $2.70 to $8.41.

Paul Koch also guided us to a significant gain with Guidant. He recommended a sell to the class during his visit on March 26.

Company	Shares	Cost	Proceeds	Gain/Loss	Shares 1/1/2003	Shares 6/30/2003	2003 Return
SOHU.COM INC	6,000	9,692	99,493	89,801	7,000	1,000	452%
CHINADOTCOM CORP	6,329	16,396	37,325	20,929	11,829	6,000	211%
CNET NETWORKS INC	6,000	8,403	12,910	4,507	6,000	-	-14%
LSB INDS INC $3.25 PFD	200	4,006	6,400	2,394	800	600	46%
GUIDANT CORP	150	3,998	5,475	1,477	150	-	25%
WILLIAMS COS INC	650	4,047	5,265	1,218	650	-	5%
LSB INDUSTRIES INC	500	1,175	2,250	1,075	2,000	3,500	46%
WESTAR ENERGY INC	400	4,572	4,856	284	400	-	22%
CROWN PACIFIC	1,400	2,655	280	(2,375)	1,400	-	-84%
MICROTUNE INC	500	7,060	1,431	(5,629)	500	-	-2%
JANUS CAP GROUP INC	300	11,611	5,043	(6,568)	300	-	-5%
Total Realized Gains	**-**	**$73,614**	**$180,727**	**$107,112**			

What are we buying?

We added to our positions in Anadarko Petroleum, Chinadotcom, Garmin, Internacional de Ceramica, LSB, and Radian. New holdings for this year are Berkshire Hathaway, El Paso, Groupe Bruxelle Lambert, and Inergy, ICM is now one of our larger holdings.

Company	Ticker	Shares	Average Price	Cost	Purchase Quarter	End of Quarter Price	% of Portfolio
ANADARKO PETROLEUM CORP	APC	50	44.51	2,226	Q1	44.47	2.1
BERKSHIRE HATHAWAY IN	BRKB	4	2,269.00	9,076	Q1 & Q2	2,430.00	2.3
CHINADOTCOM CORPORATI	CHINA	500	3.45	1,725	Q1	8.41	11.0
EL PASO CORP	EP	1,250	7.63	9,540	Q2	8.08	2.4
GROUPE BRUXELLES LAMB	GBLBF	300	46.66	13,998	Q2	45.50	3.3
GARMIN LTD	GRMN	50	35.56	1,778	Q1	39.90	2.8
INTERNACIONAL DE CERAMI	ICM	3,100	5.73	17,770	Q1 & Q2	5.6	6.8
LSB INDUSTRIES INC	LSBD	1,000	3.03	3,025	Q1	4.25	3.6
INERGY L P	NRGY	500	35.52	17,760	Q2	38.86	4.5
RADIAN GROUP INC		100	36.65	3,665	Q2	36.65	
Total Purchases				**$80,562**			

Current Portfolio Holdings

The table to the right shows our current portfolio holdings presented in order of the YTD return (not including dividends). The "unlucky" number 13 entry is Beru A.G. recommended by **Alex Verbov**. This stock is up "only" 33% year to date. Only 6 of the 29 holdings declined over the period. Of those six, we purchased Groupe Bruxelles Lambert (GBLBF) on June 13. GBL was recommended by **Robert Tracy**, APM alum and principal at Apogee Research. We have also been increasing our position in a long-time holding Internacional de Ceramica (ICM).

The risk of each of the individual holdings is measured by the standard deviation and the betas. Betas are computed using weekly data and the NASDAQ index.

Finally, a quick update on changes in the portfolio since June 30. In the last two weeks, we have sold 2,000 shares of Chinadotcom, 100 shares of SOHU, and 200 shares of Joseph A Bank.

Rank	Symbol	2003 Total Return	Shares 4/1	Shares 6/30	Change	Avg Vol (M)	% of Portfolio	Average Weekly Return	Standard Deviation	Beta NASDAQ Index
1	SOHU	452%	5,500	1,000	(4,500)	1.4	7.9%	1.5%	6.0%	1.42
2	CHINA	211%	11,829	6,500	(5,329)	1.3	13.4%	1.1%	6.1%	1.33
3	WWCA	112%	400	400	-	0.9	1.1%	0.7%	4.6%	1.03
4	NFI	107%	300	300	-	0.3	4.2%	0.6%	2.6%	0.48
5	REMC	77%	750	750	-	0.3	1.2%	0.6%	4.4%	1.26
6	CHN	68%	650	650	-	0.1	3.8%	0.4%	2.2%	0.34
7	JOSB	59%	300	300	-	0.1	2.2%	0.4%	3.0%	0.72
8	DUSA	50%	700	700	-	0.0	0.4%	0.4%	3.3%	0.32
9	LSBD	46%	4,000	3,500	(500)	0.0	3.3%	0.4%	3.3%	-0.33
10	LSBDP	46%	800	600	(200)	-	3.9%	-	-	-
11	NRGY	41%	-	500	500	0.0	4.6%	0.3%	1.3%	0.09
12	GRMN	38%	300	300	-	0.6	2.8%	0.3%	2.5%	0.71
13	BRUXF	33%	70	70	-	-	0.9%	-	-	-
14	TGT	27%	100	100	-	4.7	0.9%	0.2%	2.2%	0.92
15	WFSG	25%	4000	4,000	-	0.9	3.7%	0.2%	1.2%	0.07
16	EP	17%	-	1,250	1,250	10.0	2.3%	0.3%	5.9%	1.50
17	PLB	15%	225	225	-	0.2	2.2%	0.1%	2.0%	0.53
18	LTD	13%	200	200	-	2.4	0.7%	0.1%	2.4%	1.04
19	HRB	9%	300	300	-	1.6	3.0%	0.1%	2.3%	0.74
20	ISCB	9%	200	200	-	0.9	1.8%	0.1%	1.4%	0.28
21	KR	7%	300	300	-	3.1	1.2%	0.1%	2.1%	0.62
22	BRKB	0%	2	4	2	1.4	2.4%	0.0%	1.4%	0.20
23	RDN	0%	200	200	-	0.7	1.7%	0.0%	2.2%	0.86
24	CFFN	-1%	250	250	-	0.1	1.6%	0.0%	1.1%	0.26
25	VLO	-1%	75	75	-	1.4	0.6%	0.0%	2.0%	0.32
26	GBLBF	-2%	-	300	300	-	3.1%	-	-	-
27	APC	-8%	200	200	-	2.3	2.0%	-0.1%	1.5%	0.24
28	FST	-9%	300	300	-	0.4	1.7%	-0.1%	1.9%	0.14
29	ICM	-16%	3,000	4,000	1,000	0.9	7.0%	-0.1%	1.2%	-0.09
	Portfolio	**58%**	**-**	**-**	**-**		**-**	**1.8%**	**2.8%**	**0.27**

JOSB – by Jeremy Lill

Jos. A Banks is preparing to enter an exciting time for the company, possibly bringing large returns along with it. Management set the goal of opening 500 new stores by 2007. This expansion strategy should help an already solid company. Recent highlights for the fiscal year ending 2/1/03 include: net sales rose 15% to $243.4 million and net income increased rose 68% to $10.9 million[1].

[1] www.yahoo.com

INERGY – by Renee Transue

John Sherman, CEO and President of Inergy L.P. , and **Hsulin Peng**, manager of Corporate Finance and KU alumna, came to visit the APM class on April 2. Mr. Peng gave a brief presentation on Master Limited Partnerships and Mr. Sherman gave a presentation on Inergy's current condition and its strategies for future growth. Shortly thereafter, the class voted resoundingly to purchase Inergy (NasdaqNM: NRGY) and since the purchase, NRGY has performed exceptionally well. The Company's quarterly cash distribution increased 10.6% to $0.73 per share ($2.92 annually), reported record net income of $2.19 per diluted limited partner unit, and has acquired three companies since the beginning of April. Inergy L.P. is a solid company and is an excellent addition to the APM portfolio.

Kroger (KR)

Kroger just announced Q1 EPS results on June 24. EPS was $0.46 per share vs. $0.40 per share for last year's Q1. Comparable store sales were up 3.7%. **Joe Pichler** and **Dave Dillon**, new CEO and a member of the School of Business Board of Advisors, announced that the three restructuring plan was going well, but that EPS would most likely be lower than previously estimated because they probably will not be able to increase gross margins as expected. In order to protect market share, they will not be able to increase prices while their competition is selling below cost.

Kroger will use one third of its free cash flow to reduce debt and the other two thirds to repurchase shares. Last year they repurchased 13% of shares outstanding. The continued consolidation in food retailers provides them with attractive acquisitions. Currently acquisitions are below cost of new constructions. Management feels that the big payoff for investors will come when the economy turns and there is increased consolidation in industry. We feel that Kroger's management is one of its most valuable assets. Its level of disclosure and integrity make Kroger a good long-term investment.

KU Basketball – by Group 7

The University of Kansas men's basketball team closed the 2002-03 season as the National runner-up with a record of 30-8. The Hawks advanced to the Final Four for the second straight year, the fourth time under coach Roy Williams. Shortly after the season, KU's 15-season head coach announced his decision to become the head coach for University of North Carolina. Williams boasts a career record of 418-101 and his career winning percentage (.805) is the highest among all active Division I coaches with at least six years experience. He led the Jayhawks to 14 straight 20-win seasons.

Soon after Williams' decision, a familiar and promising face appeared in the equation. Former Illinois' head coach Bill Self agreed to coach the Jayhawks basketball team. Self, who compiled a 78-24 record at Illinois, guided the Illini to two Big 10 regular-season titles, a conference tournament championship and three NCAA Tournament appearances before leaving for KU. Adding to his accomplishments, Self is 3-0 against Missouri, a statistic close to Kansas fans' hearts. Self's intensity on the bench and affable nature off the court will, without a doubt, become KU's new fan favorite.

Kent Gasaway, Kornitzer Capital, Visits APM Class

Kent Gasaway, Senior Vice President and portfolio manager of Kornitzer Capital Management, Inc. (KCM) visited the APM class on March 26. He discussed the life of a fund manager and the inner workings of his investment company. Mr. Gasaway has 20+ years of experience in investment research and management. He has been with KCM since 1991 as a partner helping to manage approximately $2.5 billion in assets. Mr. Gasaway in particular manages the Buffalo High Yield Fund and helps to co-manage other funds at KCM.

In his presentation to the class Mr. Gasaway spoke of his experience at KCM, whose primary clients are doctors, dentists, orthodontists, and others. His company offers five main products, consisting of Large-Cap, Mid-Cap, Small-Cap, USA Global, and Science & Technology funds. KCM's goal is to invest in companies with long-term trends providing growth and that have little to no debt. Kornitzer is able to locate these funds by conducting trend analysis and then build valuation / business model analysis. This ultimately will lead the company to purchase funds that meet the company's criteria for long-term growth. KCM is able to stay on top of numerous stocks with 12 full-time research analysts, who build the models and visit the companies as well.

After Mr. Gasaway's discussion about KCM and its funds, he discussed the things firms look for when hiring a research analyst. First and foremost, 2-5 years of work experience is usually required from a large investment firm, financial institution, or insurance company, since they tend to have training departments. He also mentioned the need for the capability of analyzing any company or industry with fully-integrated, highly detailed financial models. Additionally, the analyst would have to locate sources outside of Wall Street. All in all, the individual has to be able to integrate all the aforementioned, be accountable for his or her recommendation, and have the ability to learn from mistakes.

Check out our website for up-to-date information www2.bschool.ukans.edu/apm/index4.html

Jim Sight, LSB and Fertile Ground

For the third consecutive semester, the APM class has been fortunate to hear **Jim Sight's** insights on LSB and investing. LSB has been a main stock in the portfolio for over two years. This semester our patience with this investment has begun to pay off. LSB started the semester with common at $3.05 and preferred at $23.00. At the end of the quarter the prices stand at $4.25 and $35.00 - up by 39% and 52%, respectively.

Mr. Sight discussed LSB's recent strategies. With the consolidation in the ammonium nitrate fertilizer industry, LSB may be one of the "last standing" fertilizer companies in its trade region. In the past two years, competitors Mississippi Chemical, LaRoche Industries, Nitram, and Farmland Industries have all declared bankruptcy. Koch Industries has purchased several of the bankrupt manufacturing plants. Mr. Sight believes there will be further consolidation in this industry. The company has been pursuing two strategies in its chemical division over the last year. First it has been selling non-core assets. There may be an opportunity to sell one of its chemical plants. In his letter to shareholder's **Jack Golsen**, CEO, stated, "We still have non-core assets which we intend to sell under the right circumstances to further de-leverage our balance sheet." The chemical plant sales to Koch Industries provide a base-line valuation for LSB's plants.

Second, LSB has entered into several "tolling" agreements, or agreements with other companies to purchase a set amount of product at a fixed price. The Bayer agreement is an example of a successful completion of this strategy. The Bayer agreement accounted for approximately 30% of chemical sales. LSB also has another long-term cost-plus supply agreement through November 2006 with another company, that accounts for 16% of chemical sales.

The, third prong of LSB's strategy is to become a successful niche player in the climate control industry. The climate control business generated $17 M in EBITDA during 2002 – up 14% in hard economic times. The climate control business has been consistently profitable. If this business sold at five times EBITDA, LSB's value would be approximately $85 million or $7.08 per share.

Climate Control EBITDA	$17 M	Total Enterprise Value	124
Segment Value = (EBITDA x 5)	85	less Climate Control Value	85
		Chemical Segment Value	$39
Market Capitalization	64		
Long Term Debt	80		
Total Enterprise Value	124		

The biggest drag on LSB, both operationally and in the market, is its $80 M in long term debt. With the current stock price of $4.25 and a market capitalization of $63.75 million, market participants are indicating that the value of the chemical business, net of long-term debt, is only around $39 million. The tolling agreements are worth at least $10 M in cash flow per year for the next six years, in addition to the value of the chemical plants. Earlier this year Koch Industries paid approximately $50 million for an ammonium nitrate plant. There are indications that LSB's plants may be worth more than $50 million each.

Reflections and Prospects - by Renee Transue

If someone had told me that I would be reminiscing about my college experience just 46 days after my last final, I would have told that person he or she was crazy. Yet as I sat down to write a short article about my experiences in the KU Business School and the APM class, despite myself, I began to feel a bit wistful.

I started my career at the University of Kansas as a vocal performance major but quickly realized that professional solo singing was not the lifestyle I sought. Without a tremendous amount of deliberation I turned my attentions to the Business School, reasoning that a degree in business would open my horizons to a diverse knowledge base and, eventually, a variety of job opportunities. Once I was accepted to the program, I focused all of my energies on finishing my degree and trying to pinpoint a career path that would match my desired lifestyle. One of the first real lessons I learned came from BUS 476 Marketing with **Anurag Pant**. At first the class frustrated me because Pant would not tell us specifically what he was looking for in our semester-long Marketing Plan projects. Toward the end, however, I realized that it felt good to let my creativity flow, to not have every requirement laid out for me, and I learned to trust myself and to trust the quality of work I produce. Though the class was instrumental in my personal growth, marketing was not necessarily for me. I decided in BUS 478 with **Amy Wulfemeyer** that finance was the general direction I was heading and then focused even more on "stocks" in Investment Theory with **Catherine Shenoy**. By the time I reached APM this past spring, I knew that stock research was the career for me. I love numbers; I love to dig for information and read between the lines; I love to write… I want to be an Analyst! Unfortunately, realizing this dream has not been as easy as deciding upon it.

My job search thus far has been frustrating but also enlightening. "Experience" is the buzz word and I haven't got any from the real world, though I would argue that my education, especially the training I received from Investment Theory and APM regarding company analysis, has provided me a strong foundation to build upon. I am still waiting to hear from the one job I would be excited to accept. Emerging from the frustration of waiting and the sting of rejection, however, is a calmness and self-awareness I did not expect. I am beginning to realize that life never follows the exact plan that one envisions and that the mystery and the uncertainties are what make life worth living. I have also had the opportunity to really inventory my skills and evaluate the resources I could provide a company, and have realized that I would be a smart addition to any team.

I am still feeling stressed about this transition phase and I am still determined to find a job that stimulates me intellectually and compensates me fairly, but I am realizing that it's not about the final destination. I have a tendency, a fairly common tendency, to look to the future and ignore the present. When I was in high school, I couldn't wait for college. When I was in college, I couldn't wait to join the "real world." This time, I am determined to enjoy the ride.

Call to Alumni

Send in your news, personal or professional.
We would love to hear from you.
To keep in touch, email *apm@ku.edu*.

Chinadotcom - by Joan Huber

Chinadotcom (CHINA) is a portfolio company that APM has been accumulating for more than two years. It was among the original "four horsemen" of the Chinese Internet portals (Chinadotcom, NetEase, Sina, and Sohu) in which APM took early investment positions. By Spring 2002, however, only two of those positions remained in the portfolio, those of CHINA and SOHU (but in significantly increased amounts). By Fall 2002 each represented different "stories"… while SOHU was a high growth and potential EBITDA story, CHINA was a value story trading at about $2.00/share vs. a relatively stable $3.70 in cash on its balance sheet.

The focus of the APM student lesson and case study in the fall of 2002 was "Why would CHINA be selling at such a deep discount to its cash?". One reason appeared to be the uncertainty surrounding the company's transformation to a software entity and away from a portal, while at the same time paying $16.8 M to its prior parent company for three website domain names for which it already had long term leases. The class also questioned the forgiveness of significant loans to officers and directors while at the same time being slow to use its cash to act on its stated $20M share repurchase program.

APM, therefore, became deeply involved in looking at the corporate governance issues of the company. The fall class groups became involved in a shareholder letter writing campaign to the officers and board members, encouraging them that a prudent use of cash was to promptly execute the share repurchase program, particularly at the October market near low prices of about $2.00 /share. Privately the teams were concerned that only the CEO, Mr. Peter Yip, with an apparent 12% stake, was the only officer or director who held a significant amount of company stock. They also were concerned about the incestuous nature and relative lack of independence of the board. One group's special project took the APM "show on the road" with presentations at the KU sponsored regional "Corporate Control, Corporate Disclosure" conference in late September, as well as the annual meeting of the KU Business School Board of Advisors in October.

While learning to use original SEC documents in preparing its case and presentation, the team discovered a nugget of information that Mr. Yip and his family beneficially owned another 13% stake in company stock through Asia Pacific Online Limited (APOL), a holding company for the benefit of Mr. Yip's wife and children. Not only did this bring the family's beneficial ownership to about 25%, but it also provided APM further insight into future acquisitions of stock by the CEO. By following the trail of high volume days and SEC 13Gs, APM noticed the acquisition by the Yip family of another 4 M shares (4%) in early January. This was significantly before the company's January 29th 2003 press release announcing that Mr. Yip had beneficially purchased 4.9 M shares since the middle of 2002, bringing his total beneficial ownership to approximately 30% of the company.

In this same press release the company revealed that under the repurchase program it had acquired 4.49M additional shares of stock at an average cost of ~$2.50 /share after its late October announcement of an initial 1.74M share repurchase. APM would like to think that its shareholder activism and pressure led to this step approximately 15 months after the repurchase plan was initially announced. For the benefit of shareholders, however, APM would have preferred that the board had been more responsive when the price was in the $2.00 range.

These company and insider purchases foreshadowed positive things to come for the company. Unnoticed among prior stories in 2002 was an announcement on July 29th regarding Chinadotcom's business unit hongkong.com's formation of a partnership with the Hong Kong Trade Development Council to provide short messaging services (SMS) to the Greater China Region. This was before SMS's power to the bottom line was recognized by the investment community, when in the fall the other three horsemen, NetEase, Sina and Sohu, turned in stunning results for the SMS-related segment of their businesses. Subsequent to these results the prices of their stocks skyrocketed while CHINA's lagged, possibly due to the other issues and the aforementioned software company image. The awakening opportunity and price catalyst for CHINA occurred in March with the announcement of the acquisition of Newpalm, a profitable mobile software and *application service provider* in China, by the Chinadotcom subsidiary hongkong.com for $14M in cash plus other considerations. In one step CHINA, through hongkong.com, had leapfrogged more significantly into the scalable and profitable SMS part of the portal business, as well as into its technological software foundations. The share price of Chinadotcom has more than quadrupled since that announcement.

Meanwhile, we await the upcoming Q2 earnings announcement and conference call to understand better Newpalm's contribution to the overall company operational, strategic and financial picture, and thus also to understand better a fair valuation for the company. In retrospect, perhaps the purchase of the three Internet domain names a year earlier wasn't as questionable as previously thought, but simply a card in Chinadotcom's unique brand of poker.

Speakers this Quarter

In the 2nd quarter this spring we had some new faces in class. **Kent Gasaway**, Sr VP and Portfolio Manager, from Kornitzer Capital came in April and discussed the Kornitzer's strategy and working in the investment industry. Also in April, **John Sherman,** CEO, and **Hsulin Peng**, Manager of Corporate Finance, from Inergy, L.P. discussed the propane industry, limited partnerships and Inergy in particular. See the articles on page 3 of this newsletter. Hsulin is a B School graduate and is soon off to MIT to start her MBA. She worked for me as a statistic T.A. almost the whole time that she was at KU.

Jim MacMurray (APM Fall 2002) recommended Jos A Bank, serves as mentor, and also came to class in April. We purchased JOSB at Jim and Group 1's recommendation for $20.80 on Dec, 19, 2002. It currently trades at $32.55 – increase of almost 57%!

Kent McCarthy is still matching alumni gifts 2 for 1, so now is a great time to make a donation.
Contact **Patrick Mikesic**
1-800-444-4201 ext. 461,
PMikesic @KUEndowment.org
for more information. ■

A Message from Professor Catherine Shenoy

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I've learned a lot from Kent and all of the APM speakers. I've been fortunate to meet and teach all of the APM students and alums. It's been a privilege to get to know the wonderful mentors who volunteer their time and energy to the class. Their response to the students' (and my) e-mails and their guidance through the semester is extremely valuable.

I also want to thank everyone who helped keep me organized last semester. **Sara Veit, Joan Huber,** and **Toni Dixon** all helped me keep on top of schedules, webpages, and the newsletter. Sara Veit is the Finance area administrative assistant. She contacted many of you with directions and parking passes. In addition, she is our webmaster and is learning to make changes to the website. Sara has been away from the Business School and Lawrence for a few weeks on her honeymoon. **Joan Huber** has a Ph.D. in Organic Chemistry and an MBA from the University of Kansas. During Fall 2002 she took the APM class for fun and was hooked. Joan, **Steve Anderson** and **Matt Hekman** wrote an analyst report on Sohu. At the time Sohu traded at \$5.75. They valued Sohu at \$30 – close to its current price. See the report under the Research link on the APM webpage. In addition to the keeping on top of Sohu and updating the report, Joan generally stays on top of the portfolio. Currently she and I are working on a more formal case study of Chinadotcom. **Toni Dixon** is the Business School's Director of Communications. She has been instrumental in getting the newsletter out each quarter. Finally, my daughter, **Sushila Shenoy**, has helped us figure out any web issues that Sara and I haven't been able to handle.

Next semester, I'll still have help from the stalwarts that I mentioned. In addition, several of this semester's students will help out also. **Jeremy Lill** is looking into Hongkong.com this summer as part of the Chinadotcom case write-up. We're also looking to see if it would make a good investment by itself. Jeremy and Group 3 recommended Stillwater Mining (SWC) as a buy at \$2.53. Currently it is selling for \$5.39 – up 13%. The class declined to purchase SWC, but Jeremy still thinks it is under-valued. Finally, I'm looking forward to working with **Chris Sequizad**, **Erin Nichols**, and **Eric Gephart** who will all be APM TAs in the Fall.

If you would like to contribute to the portfolio

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	Clark Foy
	Laura Haught
	Peter Johnson
	Willy Chen
3	Jeremy Lill
	Erin Nichols
	Jason Nicolay

Group	Student Members
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4	Travis Nordwald
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	Ryan Edwards
5	Drew Keihm
	Aaron Mesmer
	Marcus Cheang
6	Lori Keeshan
	Brad Kreiger
	Liz Meyer
	Candice Bassell
7	Sophia Chang
	Craig Dugan
	Richard Holt
	Renee Transue

Thank you for your contributions!