Year-in-Review

Stephen D. Cutler Center for Investments and Finance

F. Mark D’Annolfo,
Managing Director
June 1, 2012
“The Cutler Center exemplifies Babson’s real-world approach to education, its commitment to innovative research, and state-of-the-art resources and programs that uniquely prepare students for careers in investments and finance.”

—Bruce Herring ’87, CIO, Fidelity Management and Research

Front Cover: Dr. Karl Case, Professor of Economics Emeritus, Wellesley College, Senior Fellow, Joint Center for Housing Studies, Harvard University, and developer of S&P Case-Shiller Housing Index presented on “Housing and the Macroeconomy” February 2, 2012 at the Harvard Club, Boston, at the Cutler Center Boston Speaker Series event.
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Executive Summary

1. The Cutler Center had a **strong year and continued its growth** in the Center’s reach and impact. It has become a **differentiator for the finance division and College**. We note that *Bloomberg Businessweek* ranked Babson College **#6 and #11, respectively**, over the last two years in **financial management** in the U.S. among undergraduate business schools. **Finance continues to be the #1 concentration among undergraduate students.**

2. The **finance faculty, Cutler Center Board and Executives-in-Residence** play a very important role in the success of the Center. A **special thanks to Mr. Kilmer for his second generous gift to the Center in 2012.**

3. The Cutler Center sponsored a number of **educational events** that also served to **increase the visibility of Babson and finance at Babson** among alumni, prospective students and investment professionals. Some high profile speakers included *Walter Donovan, CIO, Putnam Investments* and *Dr. Karl Case, developer of S&P Case-Shiller Housing Index*. In total, we **sponsored or co-sponsored 17 events comprising 37 speakers**. *Dr. Eric Rosengren, President of the Federal Reserve Bank of Boston*, is scheduled to speak on campus this fall.

4. The Cutler Center also **partnered or worked with** external groups such as the Boston Society of Security Analysts (BSAS), and internal groups such as the Blank Center, Alumni Office, HR Department and the Center for Career Development (CCD). The **Cutler Center struck a new partnership with Financial Executives International’s Boston Chapter** this year.

5. In the experiential learning area, the Babson College Fund (BCF) has **beaten the S&P 500 over five years**. Of the 40 MCFEs completed this academic year, six were nominated for the Best MCFE Award. Of the **six nominated, two were Cutler Center (finance/investment) MCFEs**. A Cutler Center MCFE team won the Babson MCFE Award (best MCFE) last year.

6. There are **multiple student finance organizations** under the Cutler Center umbrella. **Babson Investment Management Association (BIMA) was recognized as one of the “five largest on-campus organizations for business students” by Bloomberg Businessweek** in its profile of Babson College, and three of these five largest student organizations were finance/investment related.

7. The **Faculty Seminar Series was a great success** with seven speakers from around the world presenting at Babson. The Center also launched its **Cutler Center Fellows** program this year.

8. The Cutler Center currently spends **over 20% of its budget on technology resources** for research and curriculum support. **These resources are used across the College.**
Introduction

The Stephen D. Cutler Center for Investments and Finance, through thought leadership, education and mentoring, is an important part of the finance division and a differentiator for the division and College. Bloomberg Businessweek ranked Babson College #6 and #11, respectively, over the last two years in financial management in the U.S. among undergraduate business schools. Finance is the #1 concentration, and finance and economics is the #1 pairing, among undergraduate students. It is also likely the #1 concentration among MBA students (few divisions have concentrations at the MBA level). On average, approximately 30% of Babson students accept positions in financial services.

As Babson Provost Shahid Ansari stated at the February 2012 trustees meeting, students spend 14 hours per week in class, but 144 hours per week outside of class on co-curricular activities, which is the role of the centers. Hence the Cutler Center plays an important role at Babson.

We believe the Cutler Center has the opportunity to be recognized as one of the premier academic centers in the country, and to assist the finance division in achieving top business school ranking.

The Cutler Center continued to expand its reach and impact in FY12. This report outlines what the Cutler Center has accomplished over the last year (May 31, 2011 through June 1, 2012) and discusses some of our upcoming programs and activities.

Management of the Cutler Center

Mission Statement

Our Cutler Center mission statement is:

The Stephen D. Cutler Center for Investments and Finance at Babson College is dedicated to advancing the understanding and practice of investments and finance in our global economy. The Center provides programs and resources that enrich student experience, support faculty research, and engage our alumni community. It is committed to furthering Babson’s innovative and practical approach to finance education and enabling industry practitioners, faculty, and students to collaborate and learn from one another.
Leadership Team

There were no major changes to the leadership team this year, which is as follows:

- Kathy Hevert, Ph.D., Associate Professor of Finance, and Chairperson, Finance Division
- F. Mark D’Annolfo, Managing Director of the Cutler Center and Faculty Advisor, Cutler Center MCFEs
- Michael Goldstein, Ph.D., Professor of Finance and Faculty Director of the Cutler Center
- Rick Spillane, CFA, Faculty Director, Babson College Fund, and Cutler Center board member
- Jack Cahill, Manager, Cutler Center Research and Instructional Services

It is also important to note that the finance faculty, Cutler Center Board, and Executives-in-Residence continue to play a very important role in the success of the Center.

We would like to thank Kathy Hevert for her contribution over the last three years. The growth and success of the Cutler Center would not have been possible without her leadership and enthusiasm. Kathy will complete her three year term as Division Chair this summer.

Governance

In addition to the Cutler Center leadership team meeting and interacting on a regular basis, there is also an external Board of Advisors, consisting of senior investments and finance professionals. Catherine Friend White M’86, Founder and President of wealth management firm FinArc, LLC succeeded Rick Spillane as our new Chairperson. We would also like to welcome Rebekah Irion ’05, 7city Learning, as our newest board member.

We had our first board meeting on September 21, 2011 at Babson College, and our second board meeting on March 7, 2012 at Fidelity Investments. We would like to thank the leadership teams of the undergraduate and graduate Center for Career Development (CCD) for presenting to our board at our March 7th board meeting.

Funding

The predominance of funding for the Cutler Center continues to come from Mr. Cutler and Mr. Kilmer. We would like to thank Mr. Kilmer for his second generous gift to the Center in 2012. Our many programs and resources would not have been possible without the generous support of our benefactors.

We continue to be very judicious with the use of funds. For example, we partner with other organizations, internally and externally, to reduce costs, use multiple sources and negotiate aggressively.
for the best rates, bring our own projector (which is technically not permitted) to the Harvard Club, saving $300 per event, partnering when possible, and the like.

On August 9, 2010, we established a $196,000 Cutler Center endowment. As of March 31, 2011, our endowment was valued at $207,978, including a $10,423 payout this current fiscal year to the Cutler Center. Based on the endowment formula used (5% payout based on a 20-quarter average value), the Cutler Center will receive approximately $10,400 for its operating budget next fiscal year. It should receive a similar payout annually, adjusted for inflation, going forward.

Cutler Center Added to College’s “Institutional Objectives”

The Cutler Center was added to the College’s “Institutional Objectives” for the first time this year. This means that both the President’s Office and Development will help with fundraising for the Cutler Center. On February 27, 2012, Mark D’Annolfo, Managing Director of the Center, presented to the entire Development team on an overview of the Center, its priorities and needs, the Center’s global impact and what donors need to know about the Center.

We would like to thank President Schlesinger for his recognition of the Cutler Center’s important work, his support in fundraising and in opening our Cutler Center BIMA Investments Conference (below).

From left to right: Julie Bentley M’11, former Cutler Center Coordinator, Stephen Cutler M’61, Carlton (Carl) Kilmer M’69, and Mark D’Annolfo, Cutler Center Managing Director
Four Principal, Overlapping Components
For simplicity’s sake we have divided the Center into four principal components. These are:

1. Education and Outreach
2. Student Experience and Experiential Learning
3. Faculty and Research
4. Technology/Curriculum Support

The Cutler Center budgeted to spend an estimated 34%, 12%, 33% and 21%, respectively, in F2012 on these areas. We also note that there is overlap among the respective areas. In other words, the Cutler Center Boston Speaker Series is designed to increase the visibility of finance at Babson among the alumni, prospective students and the Boston business and investment’s community. However, it also provides selective students with networking opportunities and is designed to be educational as well. Virtually everything the Cutler Center does has an educational component to it, as this is consistent with the very first line of the Cutler Center mission statement.

Education and Outreach
An important function of the Cutler Center is to promote finance at Babson and hence Babson College as well. Mark D’Annolfo has primary responsibility for this area. We have undertaken a number of initiatives, both internally and externally focused. These include:
• **Cutler Center Boston Speaker series.** This was started in the fall of 2009 and takes place in downtown Boston, which is convenient for investment and finance professionals. The two 2011-2012 speakers we sponsored included:

  o **Walter C. Donovan, CIO, Putnam Investments** – October 6, 2011. This event was co-sponsored with the Boston Security Analysts Society (BSAS). The BSAS co-sponsors **very few events.** The topic was: “Global Market Outlook.” Mr. Donovan led a lively panel discussion with his senior investments team of Michael Atkins, Portfolio Manager, Fixed Income, Jeffrey Knight, Head of Global Asset Allocation and Nick Thakore, Co-Head of US Equities.

    ▪ 122 people registered for the event and close to 100 were in attendance. We received very positive feedback, and the networking reception after the panel was very well attended.

Cutler Center/BSAS October 6, 2011 panel at the Hyatt Regency Boston
Dr. Karl Case, Professor of Economics Emeritus, Wellesley College, Senior Fellow, Joint Center for Housing Studies, Harvard University, and developer of S&P Case-Shiller Housing Index – February 2, 2012. Dr. Case did an outstanding job of presenting on “Housing and the Macroeconomy.” The Cutler Center obtained the speaker and co-sponsored this event with the Financial Services Career Affinity Group (CAG) and the Real Estate CAG.

- **146 people registered for the event.** *This Old House* host Kevin O’Connor attended the presentation and reception.

Dr. Karl Case on February 2, 2012 at the Downtown Harvard Club

Upcoming Boston Speaker Series events include:

- **Duncan Richardson, Chief Equity Investment Office, Eaton Vance Investment Managers** – October 3, 2012. This speaker and reception event is being co-sponsored with the Boston Security Analysts Society and will be held in downtown Boston.

- **February 5, 2013 –** Speaker TBD.
• With the success of the Boston Speaker Series, we began our New York City Speaker Series, as NYC is a hub of the investments world and we have a large number of alumni who are investment professionals in NYC. The panel was held on November 10, 2011. We were fortunate to have Cutler Center board members Henry (Chip) Dickson ’75, M’76, Co-founder, Director of Research and Strategist, DISCERN Investment Analytics, and Jason Orlosky ’04, Vice President, Barclays Wealth on our “Market Outlook” panel. Additional panelists were Kathy Karlic ’76, Group Vice President, M&T Bank and Tim Yantz ’01, Partner, Meadow Partners. All the panelists provided unique insights into the markets and outlook. Robert Turner, Associate Dean and Professor of Accounting did a super job of moderating the panel, and gave special recognition to the Cutler Center for spearheading the event. The event was co-sponsored with BabsonConnect, the Financial Services CAG and the Alumni Club of New York. Professor Laurie Krigman was instrumental in putting together the student annual NYC investment banking trip the following day. The students attended the panel and networking reception.
  o There were approximately 150 people at the event, including about 100 Babson alumni.
  o We have another NYC Speaker Series event planned for November 8, 2012 and we plan to partner with the New York Security Analyst Society (NYSSE).
• The Cutler Center co-sponsored the **Boston Business Breakfast Forum (BBBF)** at the Harvard Club in Boston on April 17, 2012 with the Financial Services Career Affinity Group. The keynote speaker was **John Taft, CEO, RBC Wealth Management – U.S.** He was a leading spokesman during the Dodd-Frank legislative process and subsequent rulemaking. His great grandfather was U.S. President William Howard Taft. Mr. Taft, who recently published a book, spoke on how Wall Street strayed from its true mission, the good, the bad and the ugly of the Dodd-Frank legislative, and the risks of the ballooning federal debt, among other topics.
  - Close to 70 people registered for the event.
  - We have another BBBF event on the agenda for February 5, 2013.

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From left to right: F. Mark D'Annolfo, Managing Director, Cutler Center, John Taft, CEO, RBC Wealth Management – U.S. and Babson graduate Paul J. Leyden, Senior Managing Director, RBC Wealth Management

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• **A new event** for the Cutler Center this year was our “**Wealth Management**” series. Babson’s Human Resources (HR) department organizes informative seminars on topics such as financial planning and estate planning, but has a limited offering in the area of investment education. The Cutler Center added value in this area and **partnered with Babson HR** to sponsor **Cutler Center board member Jurrien Timmer ’85, portfolio manager and Head of Global Macro at Fidelity Investments**, who presented to faculty, staff and students at Babson on October 18, 2011.
Jurrien, one of our favorite speakers, didn’t disappoint. His presentation covered how the global economy got into its current state (i.e., misallocation of capital, etc.), the secular trends we are facing, the tail risks and where value exists in the global markets today. Our intent for this event was to be both **informative and social**, allowing faculty, staff and students to get to know one another early in the academic year. Hence, a reception followed the event.

- Approximately 120 people attended the event.
- We have another Wealth Management Series event planned on October 24, 2012, with an invitation out to the President and CEO of TIAA-CREF.

The Cutler Center began **co-sponsoring events with the Blank Center** in the fall of 2009, where we co-hosted author and Advent International Chairman Peter Brooke at Babson. Venture capital/private equity is an area of overlap with the Blank Center. We partnered with the Blank Center to put on a **“Raising Capital in a Global Economy” panel** on November 16, 2011. We were fortunate to have David Pierson, Partner and venture specialist at Foley Hoag moderate the panel, with Heather Onstott, Director at Launch Capital, Jo Tango, Partner at Kepha Partners, Kevin Mulvaney, Senior Lecturer at Babson and Bruce Ou, Principal at Grove Street Advisors as panelists.

- Approximately 70 people were in attendance for the event and reception.
We hosted our **Fifth Annual Cutler Center BIMA Investments Conference** on March 9, 2012, with more than a dozen leading speakers from Harvard to Fidelity Investments. Approximately 200 students, faculty, alumni and investment professionals attended the full-day event. See our **full conference agenda in Addendum A**. The conference was titled, “Global Market Outlook – Investing in an Uncertain Environment.” The conference keynote speakers were:

- **Len Schlesinger**, President of Babson College
- **John Campbell, Ph.D.**, Professor of Economics and Department Chair, Harvard University, Founding Partner, Arrowstreet Capital, LP
- **Daniel Clifton**, Partner, Head of Policy Research, Strategas Research Partner
- **Brian C. Kelly**, M’95, Shelter Harbor Capital, and frequent CNBC contributor

The panels were:

- Emerging Markets – Where Do We Go From Here?, moderated by Finance Professor Diana Harrington.
- Financial Services – Value or Value Trap?, moderated by Finance Professor Stephen Feinstein.

A networking reception concluded the conference. Our **Sixth Annual Cutler Center BIMA Investments Conference** is scheduled for March 1, 2013.
The Cutler Center organized and co-sponsored an “Investments Career Panel” on September 22, 2011 for students interested in careers in the investments sector. Cutler Center board members Rick Spillane CFA (expertise in investment management), David Thompson, CFA, M’71 (expertise in bonds) and David Lamere ’82 (expertise in private wealth management) joined Cutler Center Managing Director Mark D’Annolfo (expertise in investment banking) on the panel moderated by Associate Director, MBA Center for Career Development (CCD) Don O’Connor. It was a lively discussion debating the opportunities in the different segments, market trends, skill sets needed and the like, followed by Q&A. The panel was co-sponsored with undergraduate and MBA CCD and the Babson Investment Management Association (BIMA).

- There were approximately 120 students in attendance.

Phil Reuppel, Managing Director and Senior Research Analyst at Wells Fargo Securities spoke at Babson on October 13, 2011. Phil, a former colleague of Mark D’Annolfo’s from Deutsche Bank Securities, spoke about his investment philosophy, the approach he takes when analyzing a
company and how he determines his rating on a stock. He also talked about what an analyst
does on a day-to-day basis and the skill sets needed to succeed as an equity analyst. A question
and answer session followed his presentation. The Cutler Center co-sponsored this event with
the Babson Investment Management Association (BIMA).

- Approximately 70 students, faculty and investment professional attended the event.

Phil Reuppel, Wells Fargo Securities, spoke at Babson on October 13, 2011
• The Cutler Center was a Gold Sponsor of the Boston Security Analysts Society (BSAS) Market Outlook Dinner on March 7, 2012. The Market Outlook Dinner is one of the BSAS’s premier events and drew approximately 400 investment professionals. The Cutler Center's sponsorship included two preferred tables, a Babson/Cutler Center banner displayed in the room (only one of three), a mention at the event, listing on the BSAS website and special name badge recognition, among other things. The keynote speaker was Chen Zhao, Managing Director, Global Equity Strategy, BCA Research. Babson and the Cutler Center received some great visibility among the investments community from this event.

The Babson/Cutler Center banner displayed at the BSAS “Market Outlook Dinner” on March 7, 2012

Some new events scheduled for this fall include:

• Dr. Eric Rosengren, President and CEO of the Federal Reserve Bank of Boston, will be presenting to students at Babson on November 1, 2012. Due to his very busy schedule, he speaks at very few colleges or universities. Dr. Rosengren, who has been in the news of late, has written extensively on macroeconomics, international banking, bank supervision, and risk
management. His current research has been how financial problems can impact the real economy. There will be a reception after the presentation and Q&A.

- Also new this fall, the Cutler Center will be partnering with the Center for Entrepreneurial Woman's Leadership (CWEL) to co-host an event on women in finance this spring.

**New partnership with Financial Executives International**

- In April 2012, the Cutler Center and Financial Executives International’s Boston Chapter (FEI Boston) announced professional development collaboration. FEI Boston will host all of its professional development seminars for its senior-level financial executive members at Babson College (Olin Hall) during the 2012-2013 academic year. These continuing education seminars hosted by FEI will take place once a month (mostly) on Friday mornings and typically draw about 50 FEI members, although some draw closer to 100. As a result, there are a number of advantages for Babson and the Cutler Center, including:

  - Promoting finance at Babson through having senior executives on campus where we can highlight our ranking and capabilities and having Babson/Cutler Center information in the FEI communications to its members at least once a month when FEI promotes these events.
  - Opportunity for the BCFA student-organization to get involved in FEI (education and networking).
  - Possible opportunity for faculty if they want to speak at some of these events. This could further highlight our capabilities and expertise.
  - Opportunity for CCD to get to know senior finance executives who are on campus, which will hopefully lead to internship and recruiting.
  - Generate some revenue for Babson.

We already have a relationship (co-sponsor speaker, Gold Sponsor of Market Outlook Dinner) with the Boston Security Analyst Society (BSAS), the premier organization for investment professionals. With our new FEI relationship, we now also have a relationship with the premier organization for corporate finance executives. See Addendum B for the FEI – Cutler Center press release that was sent to FEI Boston’s 900 members and the Boston-area media. Please note our finance ranking, among other things, is highlighted on the press release.
Cutler Center’s *expanded relationship with Admissions and CCD*

- We now work with **undergraduate and MBA admissions** in several ways:
  - Coordinating with UG admissions, we sent a letter from finance chairperson Kathy Hevert to several hundred admitted students interested in finance who were deciding what college to attend, explaining how finance at Babson is unique and inviting prospective students and parents to our John Taft event (see above) at the Harvard Club in Boston. This was the second year we sent such a letter. **Following our lead and for the first time, UG admissions is now offering this opportunity to other divisions.**
  - For the first time, we worked with **MBA admissions** and sent a similar letter to prospective graduate students.
  - Coordinating with UG and MBA admissions, we invited **prospective students** to various Cutler Center events throughout the year as well as speak with prospective students at these events or on campus.

As one **prospective undergraduate student wrote** (April 2, 2012):

“Mr. D’Annolfo: Thank you very much for meeting with me. It was truly a privilege to learn about Babson and the investment management program. I dream of managing money for a living and to me, the BCF and BIMA seem like great programs (along with the other courses) that would help me make my dream become a reality. Babson seemed like the perfect fit for me and is currently my top choice. I loved the campus, the activities offered at Babson, and meeting with you and Dr. Hevert made it that much better. Thank you. I hope we stay in touch.”

- The Cutler Center and finance division work closely with **graduate and MBA CCD**. For example, we:
  - Co-hosted an Investments Career Panel (see above).
  - Through our professional contacts, we provided CCD with multiple student internship opportunities and full-time job opportunities.
  - We meet with and mentor students who are interested in the investments sector.
  - The Cutler Center helps support the Young Alumni Mentor Network developed and operated by Finance Professor Laurie Krigman. This network pairs undergraduates concentrating in Finance with young alumni for the purpose of career and job search mentoring. During the 2011-2012 academic year, 35 students applied to the mentor network and 22 students were accepted and have been paired with mentors in their chosen fields.

**Partnering and coordinating with CCD and hence helping students get jobs in this highly competitive sector is an important part of the Cutler Center’s mission.**
Some additional marketing and programs included:

- The Cutler Center publishes an e-newsletter every fall and winter. It contains: a Message from the Managing Director, Cutler Center News, Faculty News, BCF News, Library News, and Student News. The Cutler Center publishes a brochure, which is updated yearly and used across the campus and at events. Tara Place, UG CCD, for example, includes our Cutler Center brochure in her marketing material to employers. Our web-site is being continuously updated and expanded and was migrated to the new web-site last fall. There were several mentions of the Cutler Center in Babson Magazine. Names of alumni in corporate finance and investments were given to Sara Quist in Graduate Marketing this spring to create profiles that could both be used in the Babson web-site and in marketing the Cutler Center and finance at Babson.

- The Cutler Center presents to incoming two-year and one-year MBA students during their orientation program. We inform them about the Cutler Center, finance division and the multitude of resources available to students. For the first time, we will be presenting to FastTrack students, both at Babson and in San Francisco, this summer.

- The Cutler Center helped organize and execute a Cutler Center/Finance Division Open House on November 2, 2011. This was an information session and social gathering designed to get students excited and interested in finance. The finance faculty and Cutler Center leadership team discussed the many resources available at the Cutler Center, BCF, BIMA and BCFA, the finance concentrations, and finance MCFEs. This event was very well attended by students.

- The Cutler Center sponsored the “A Step Ahead in Financial Services” panel at the “Fourth Latin Entrepreneurship Forum.” The event drew several hundred people and the Cutler Center’s mission was stated at the introduction of the panel. This was the second year the Cutler Center was a sponsor of this event.

As stated, many of the above events and programs are designed to be educational. It is also our expectation that these activities and events will raise the visibility of finance at Babson among prospective students, employers, alumni and investment professionals.

See Addendum C for a summary of Cutler Center events.
Student Experience and Experiential Learning

Experiential Learning

The Cutler Center helps support, financially and/or through management resources, two major programs centered around “Experiential Learning” at Babson: the Cutler Center (finance/investment) MCFEs and the Babson College Fund.

- **Cutler Center (finance/investment) MCFEs.** Mark D’Annolfo is the faculty advisor for these MCFEs. The Cutler Center helps recruit companies for the Cutler Center MCFEs. There was strong interest among students for the Cutler Center (finance/investment) MCFEs and five Cutler Center MCFEs were completed by student teams this academic year. In some cases, there were many more students competing for limited spots on a given team. **Of the 40 MCFE projects encompassing 161 students this academic year, six were nominated for the Babson MCFE Award (best MCFE),** which comes with a cash prize given by Babson-United Inc. (founded by Roger W. Babson). **Of the six MCFEs nominated for the award, two were Cutler Center MCFEs.** This year **the Babson MCFE Award went to a Custom MCFE project; it just edged out the Cutler Center MCFE team** on the basis on their initiative in finding the project. **The Cutler Center MCFE team (Cambridge Trust Company) won the Babson MCFE Award last year.**

- **Babson College Fund (BCF).** The Babson College Fund had another strong year. Faculty Director Rick Spillane initiated a number of changes in the program. There are currently six Executives-in-Residence for BCF who help guide students in their investment analysis and decisions. Close to 50 students competed for 24 spots in BCF this academic year, with 11 undergrad and 13 MBA students completing the course. **BCF has beaten the S&P 500 over five years, surpassing some professional managers hired to manage the equity portion of the Babson endowment.** To date (one-year applications are processed in July), 14 new students have been selected for 2012-2013, including 12 undergraduates and two MBA students. The transition to the new team has already begun.
Babson College Fund’s 2011-2012 investment’s team

- **Babson College Fund (BCF) for Fixed Income.** Last year, the Cutler Center funded a detailed study by Professor Ryan Davies on potentially starting a BCF-style, student-run fund/course for fixed income. While there are currently over 400 colleges and universities with student managed funds, almost all of these are equity-focused. Only seven universities and colleges have a fixed income fund. It is currently being reviewed by the finance division. Having such a fund could further differentiate the finance division from a multitude of other schools. Ryan was on sabbatical this past year but will return this coming summer. The Cutler Center will continue to support the division to bring this fixed income fund to fruition.

**Student Experience**

**Student finance organizations** offer Babson students the opportunity to expand and deepen their knowledge of the finance world. The Cutler Center currently has five (active) student groups under its umbrella. Of these, the Babson Investment Management Association (BIMA) and the Babson Corporate Finance Association (BCFA) have been the most active. Mark D’Annolfo is the BIMA faculty advisor, and Kathy Hevert and Richard Bliss are the BCFA faculty advisors. In addition to receiving funding from the Cutler Center, these organizations benefit from working closely with finance faculty advisors.

- **BIMA:** BIMA is an organization for students interested in careers in investments. In 2011-2012, there were five student officers and additional BIMA volunteers. *BIMA was recognized as one*
of the “five largest on-campus organizations for business students” by Bloomberg Businessweek in its profile of Babson College and three of the five student organizations were finance/investment related.

BIMA’s mission statement is: The Babson Investment Management Association is a student-run organization dedicated to providing students interested in careers in investment management (research analyst, portfolio manager, private wealth management, investment banking) with the resources and guidance to achieve their professional goals. BIMA provides students with the opportunities to hear from leaders in investment management, to learn about careers in the sector, and to develop their professional networks. The organization facilitates relationships with alumni and faculty, and fosters a sense of community among students.

- The group hosted or co-hosted eight speakers throughout the year through its Thursday Speaker Series. Each event was well attended by approximately 40 students.
- BIMA, in partnership with the Cutler Center, helped plan and execute the Fifth Annual Cutler Center BIMA Investments Conference on March 9, 2012. Thirteen speakers and panelists presented to approximately 200 practitioners, students, faculty and staff in attendance. The feedback was overwhelmingly positive.

We are targeting more undergraduate involvement in the upcoming year. Preliminary planning for both the Speaker Series and Sixth Annual Cutler Center BIMA conference is underway. The next conference is planned for March 1, 2013 and Babson President Len Schlesinger has once again agreed to be the introductory keynote speaker.
• **BCFA:** With the advent of the graduate finance concentrations, we made the decision last academic year to replace the Finance Immersion Group (FIP) with an “open” student organization more aligned with the new corporate finance concentration. Last year the Cutler Center incubated the organization, recruited prospective officers and helped create a mission statement for the new Babson Corporate Finance Association. In only the second year of the organization, the group hosted several well attended events.

Other Student Experience and Education Support include:

• **The Rotman Trading Competition** is supported by the Cutler Center through funding and technology resources. Professor Ryan Davies is the faculty advisor to Babson undergraduate students competing at the Rotman International Trading Competition, held at the University of Toronto. Babson competed in five of the last six years, placing second in 2007, seventh in 2008, first in 2009, second in 2010 and twentieth in 2011. As Professor Davies was on sabbatical this year, the team didn’t compete in 2012, but is expected to compete again in 2013.

• Students have access to **multiple Cutler Center resources**, such as a Bloomberg Certification Program and CFA study materials to enhance their education outside the classroom and to further differentiate themselves in a competitive marketplace.
Finally, the Cutler Center works directly with select students on *mentoring, counseling and networking*, from the time they start the program to when they accept a job offer.
Faculty and Research

The Cutler Center supports, through funding and management resources, the Faculty Seminar Series, and the faculty uses technology resources for classes and research. Professor Michael Goldstein has assumed responsibility for this area.

The Faculty Seminar Series not only keeps Babson’s finance faculty current on cutting edge research being conducted by faculty at other peer institutions, but also exposes the faculty to Babson’s campus, the Cutler Center, and the finance faculty. Speakers over the last year have included:

- **Brian Roundtree**, Rice University, “Are Individual Investors Influenced by the Optimism and Credibility of Stock Spam Recommendations” – September 23, 2011

We also note that when speakers present at Babson, they **typically spend the day with Babson finance faculty** and often go to dinner as well. This often results in long term relationships with these faculty members and their institutions.

The Cutler Center has received some **very good press and visibility from Michael Goldstein’s large number of speaking engagements** where it was promoted that he is Faculty Director of the Cutler Center. Some of these presentations included:

- Financial Industry Regulatory Authority (FINRA) Economic Advisory Committee, chaired the Committee meetings – December 1, 2011 and May 17, 2012. Michael was appointed Chairman of the FINRA Economic Advisory Committee in September 2011.

Professor Goldstein was also appointed Associate Editor, Financial Management on October 7, 2011 and elected to the Board of Directors of the Eastern Finance Association on April 11, 2012.

An alumni outreach program has been established, enabling faculty to meet with alumni when traveling to various locations.

The Cutler Center hired a doctoral student Research Assistant with specialized statistical analysis skills to assist in faculty research. We note faculty publications are an important component of how various publications rank colleges.

A Cutler Center Fellows program was established to allow faculty, both finance faculty and eventually targeted faculty in other departments at Babson, whose research interests and activities are related to the mission of the Cutler Center, to affiliate with the Cutler Center. The three Cutler Fellows are currently: finance Professor Ryan Davies, finance Professor Gang Hu, and finance Lecturer Wendy Jeffus. Their speaking engagements also provided the Cutler Center with some very good visibility. See Addendum D for a list of their speaking engagements.
Under consideration is a Cutler Center Working Paper Series which would highlight new research by Babson faculty and provide more exposure for the Cutler Center.
Technology/Curriculum Support

The Cutler Center currently spends over **20% of its budget on technology resources** for research and curriculum support. Funding uses include Capital IQ, Rotman, RISE ticker and the dozen Bloomberg terminals. **This supports both student learning and research/thought-leadership.** Classes are also taught in the physical Cutler Center in the Horn Library, and **many of these resources can be accessed remotely.** Babson alumni are also provided access to Cutler Center technology resources, which is unique among many centers. See **Addendum E for examples of how the Cutler Center resources are integrated into the finance curriculum.**

Activities are coordinated with Jack Cahill, Manager, Cutler Center Research and Instruction, at the Horn Library.

Jack Cahill (hand raised), Manager, Cutler Center Research and Instruction
Contact information

Thank you for your interest in the Cutler Center at Babson College. Please let us know how we can involve you in the Center. **Addendum E contains contact information for the Cutler Center leadership team.**

Learn more about the Cutler Center at:

http://www.babson.edu/Academics/centers/cutler-center/Pages/home.aspx

BABSON RANKED

**NO. 11**

IN THE U.S. IN FINANCIAL MANAGEMENT

*Bloomberg Businessweek*
## Addendum A: Cutler Center BIMA Investments Conference Agenda

<table>
<thead>
<tr>
<th>March 9th Friday</th>
<th>Conference Day Agenda</th>
<th>Location: Babson College, Olin Hall, Olin Auditorium</th>
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</thead>
<tbody>
<tr>
<td>8:15–9:00 a.m.</td>
<td><strong>Continental Breakfast and Registration</strong></td>
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<tr>
<td>9:00–9:15 a.m.</td>
<td><strong>Kickoff Speaker:</strong> Leonard A. Schlesinger, President, Babson College</td>
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<tr>
<td>9:15–10:15 a.m.</td>
<td><strong>Morning Keynote:</strong> John Y. Campbell, PhD, Professor of Economics and Department Chair, Harvard University</td>
<td>Topic: Endowments, Lessons Learned and Economic Outlook</td>
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<tr>
<td>10:15–10:30 a.m.</td>
<td>break/transition</td>
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<tr>
<td>10:30–11:45 a.m.</td>
<td><strong>Morning Panel:</strong> Emerging Markets – Where Do We Go From Here?</td>
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<td></td>
<td>PANELISTS:</td>
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<td></td>
<td>• Lisa Emsbo-Mattingly, Director of Asset Allocation Research, Fidelity Investments</td>
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<td></td>
<td>• Ward Brown PhD, Portfolio Manager, MFS Emerging Markets Debt Fund</td>
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<td></td>
<td>• Kent A. Jones PhD, Professor of Economics and Kevern R. Joyce Term Chair, Babson College</td>
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<td></td>
<td>• George R. Hoguet, Senior Portfolio Manager and Global Investment Strategist, Emerging Markets, State Street Global Advisors</td>
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<td></td>
<td>MODERATOR: Diana R. Harrington, PhD, Distinguished Professor of Applied Investments, Babson College</td>
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<td>11:45–Noon</td>
<td>break/transition</td>
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<tr>
<td>Noon–12:50 p.m.</td>
<td><strong>Lunch Keynote:</strong> Daniel Clifton, Partner and Head of Policy Research, Strategas Research Partners</td>
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<td></td>
<td>Topic: 2012 Public Policy and Election Implications for Financial Markets</td>
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<tr>
<td>12:50–1:00 p.m.</td>
<td>break/transition</td>
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<tr>
<td>1:00–2:15 p.m.</td>
<td><strong>Afternoon Panel:</strong> Financial Services – Value or Value Trap?</td>
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<td></td>
<td>PANELISTS:</td>
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<td></td>
<td>• Frederic Chartier, Lecturer in Economics and Finance, Babson College</td>
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<td></td>
<td>• David H. Ellison, President and Chief Investment Officer, FBR Equity Funds, Portfolio Manager, FBR Large and Small Cap Financial Funds</td>
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<td></td>
<td>• Lisa A. Welch, Senior Managing Director, Senior Portfolio Manager, Regional Bank Funds and Financial Industries Fund, John Hancock Asset Management</td>
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<td></td>
<td>• Eric G. Warasta M’04, Equity Analyst and Portfolio Manager, Cambridge Trust Company</td>
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<td>MODERATOR: Steven Feinstein, PhD, CFA, Associate Professor of Finance, Babson College</td>
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<td>2:15–2:30 p.m.</td>
<td>break/transition</td>
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<tr>
<td>2:30–3:30 p.m.</td>
<td><strong>Afternoon Keynote:</strong> Brian C. Kelly M’95, founder, Shelter Harbor Capital, and frequent CNBC contributor</td>
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<td></td>
<td>Topic: The New Economic Equation and Other Butterflies</td>
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<tr>
<td>3:30–4:30 p.m.</td>
<td><strong>Networking Reception:</strong> Markey Commons</td>
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FOR IMMEDIATE RELEASE:

FEI AND CUTLER CENTER AT BABSON COLLEGE PARTNER TO DELIVER EXECUTIVE EDUCATION ON BABSON CAMPUS

The Stephen D. Cutler Center for Investments and Finance at Babson College (Cutler Center) and Financial Executives International’s Boston Chapter (FEI Boston) are proud to announce a professional development collaboration for the 2012-2013 academic year.

FEI Boston, the premier organization for senior-level financial executives, has partnered with the Cutler Center at Babson College, ranked #6 in the U.S in Financial Management by Bloomberg Businessweek among undergraduate business schools, to deliver their professional development seminars for their 900 members on the Babson campus, located in Wellesley, Massachusetts.

“It makes perfect sense for FEI Boston to bring their senior-level financial executives to Babson’s magnificent campus to enhance their life-long learning experience,” said Peter Rockett, FEI Boston’s President-elect. Mr. Rockett continued, “the Cutler Center’s resources are nothing less than state-of-the-art.”

“As a member of FEI Boston, I have experienced what a superb organization FEI Boston is,” said Mark D’Annolfo, Managing Director of the Cutler Center. Mr. D’Annolfo stated, “The Cutler Center’s mission is to advance the understanding and practice of investments and finance in our global economy. As such, this is a great fit and we couldn’t be more excited about partnering with FEI Boston.”

“Our members are very excited about the FEI / Babson-Cutler Center collaboration, which will allow for leading edge continuing education and assist our members to succeed in a global economy,” said Edward Keefe, Chairman of the Professional Development Committee for FEI Boston.

xxx

To learn more about FEI Boston, please visit www.feiboston.org or call Peter Rockett, President-elect, FEI Boston, at 617-557-7358.

To learn more about the Cutler Center at Babson College, please visit www.babson.edu or call Mark D’Annolfo, Managing Director, Cutler Center, at 781-239-6435.
## Addendum C: Cutler Center Events, 2011-2012

<table>
<thead>
<tr>
<th>Date</th>
<th>Speaker(s)</th>
<th>Topic</th>
<th>Collaboration</th>
<th>Location &amp; Time</th>
<th>Number of Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/22/11</td>
<td><strong>Rick Spillane</strong>, CFA, Faculty Director, Babson College Fund&lt;br&gt;<strong>Mark D’Annolfo</strong>, Managing Director, Cutler Center&lt;br&gt;<strong>David Thompson</strong>, CFA, M’71, Managing Director, Fixed Income, Highmount&lt;br&gt;<strong>David Lamere</strong> ’82, former CEO, BNY Mellon Wealth Management&lt;br&gt;Moderator: <strong>Don O’Connor</strong>, Associate Director, Graduate CCD</td>
<td>Investments Career Panel</td>
<td>CCD &amp; BIMA</td>
<td>Olin Auditorium, Babson 4:45-6 p.m.</td>
<td>120</td>
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<tr>
<td>10/6/11</td>
<td><strong>Walter C. Donovan</strong>, CIO, Putnam Investments, with Putnam’s senior investments team</td>
<td>Global Market Outlook</td>
<td>BSAS</td>
<td>Hyatt Regency, Boston 4:30-7 p.m.</td>
<td>100</td>
</tr>
<tr>
<td>10/13/11</td>
<td><strong>Phil Rueppel</strong>, Managing Director/Sr. Research Equity Analyst, Wells Fargo Securities</td>
<td>Equity Analysis</td>
<td>BIMA</td>
<td>Olin 101, Babson 5-6 p.m.</td>
<td>70</td>
</tr>
<tr>
<td>10/18/11</td>
<td><strong>Jurrien Timmer</strong> ’85, Director of Global Macro and Portfolio Manager, Fidelity Investments</td>
<td>Market Outlook</td>
<td>HR Department</td>
<td>Olin Auditorium, Babson 5-7 p.m.</td>
<td>120</td>
</tr>
<tr>
<td>11/10/11</td>
<td><strong>Jason Orlosky</strong> ’04, Vice President, Barclays Wealth Management&lt;br&gt;<strong>Kathryn Karlic</strong> ’76, Group Vice President, M&amp;T Bank&lt;br&gt;<strong>Henry (Chip) Dickson</strong> ’75, Founder, President and DOR, DIS/CERN&lt;br&gt;<strong>Tim Yantz</strong> ’01, Managing Director, Meadow Partners&lt;br&gt;Moderator: <strong>Bob Turner</strong>, Professor and Associate Dean, Babson College</td>
<td>Market Outlook: Investing in an Uncertain Time&lt;br&gt;New York City Speaker Series Panel</td>
<td>FS CAG, BabsonConnect, Alumni Club of New York</td>
<td>Grant Hyatt, New York 6-8:30 p.m.</td>
<td>150</td>
</tr>
<tr>
<td>Date</td>
<td>Event</td>
<td>Speaker(s)</td>
<td>Location</td>
<td>Time</td>
<td>Attendance</td>
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<td>11/16/11</td>
<td>Raising Capital in a Global Economy – A Conversation Among Investment Professionals</td>
<td>Heather Onstott, Jo Tango, Kevin Mulvaney, Bruce Ou, David Pierson</td>
<td>Blank Center/Needham/Wellesley, Babson</td>
<td>4:30-7 p.m.</td>
<td>70</td>
</tr>
<tr>
<td>2/2/12</td>
<td>Housing and the Macroeconomy</td>
<td>Dr. Karl Case, Professor of Economics Emeritus, Wellesley College</td>
<td>Harvard Club, Boston</td>
<td>7:30-9:30 a.m.</td>
<td>146</td>
</tr>
<tr>
<td>3/7/12</td>
<td>Annual BSAS Market Outlook Dinner</td>
<td>Chen Zhao, Managing Director, Global Equity Strategy, BCA Research</td>
<td>InterContinental Boston</td>
<td>5-9 p.m.</td>
<td>400</td>
</tr>
<tr>
<td>3/9/12</td>
<td>Global Market Outlook: Investing in an Uncertain Time</td>
<td>Cutler Center BIMA Investments Conference Keynotes: Len Schlesinger, John Campbell, Daniel Clifton, Brian C. Kelly</td>
<td>BIMA</td>
<td>4:45-6 p.m.</td>
<td>200</td>
</tr>
<tr>
<td>4/17/12</td>
<td>Stewardship: Lessons Learned from the Lost Culture of Wall Street</td>
<td>John Taft, CEO, RBC Wealth Management - U.S.</td>
<td>Harvard Club, Boston</td>
<td>7:30-9 a.m.</td>
<td>70</td>
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Addendum D: Cutler Center Fellows’ Speaking Engagements

Below is a listing of the Cutler Center Fellows’ speaking engagements. This has provided the Cutler Center with additional exposure within the academic community.

Professor Ryan Davies (on sabbatical in 2011-2012):

CANADA:

UNITED KINGDOM:

FRANCE:

AUSTRALIA:
4. University of New South Wales, "Intraday Portfolio Return Autocorrelation Dynamics" – March 1, 2012

5. Australian National University, "Intraday Portfolio Return Autocorrelation Dynamics" – March 9, 2012

NEW ZEALAND:
6. Massey University (Auckland Campus), "Intraday Portfolio Return Autocorrelation Dynamics" – April 3, 2012

7. Massey University (Palmerston North Campus), "Intraday Portfolio Return Autocorrelation Dynamics" – April 4, 2012

Professor Gang Hu:

University of Massachusetts Amherst, “Institutional Investors and the Information Production Theory of Stock Splits” – April 6, 2012
Addendum E: Cutler Center Resources and the Curriculum

The Cutler Center is distinct in its role as a laboratory, providing an enriched student experience for research, teaching, and learning about global investments and finance. Unlike other colleges’ “trading rooms” which are usually traditional classrooms, the Cutler Center provides a multi-use facility which supports the student experience both inside and outside of class. While the emphasis on using Cutler Center resources as a lab for completing assignments and projects is still in process, we have been successful in using the Center’s space as a classroom for both the MBA and undergraduate Fixed Income classes taught by Professor Ryan Davies. Due to class size and the availability of a dozen Bloomberg terminals, the Center is an ideal location, providing a dynamic and engaged class environment which supports Professor Davies’ teaching style and interactive curriculum.

In our other classes, we use a combination of “hands-on” and dedicated training materials about Cutler Center resources which are supported by custom instructional videos, for completing assignments and projects. These have been successful across all of the finance offerings, especially in the following:

- FactSet and Morningstar for portfolio screening, optimization, and attribution which support Babson’s undergraduate Investments and graduate Equities courses;
- Bloomberg terminals for interest rate and equity options valuation and analysis in Options and Futures course and for bond portfolio analysis in Security Valuation;
- WRDS and CRSP programs for calculating stock price beta for the Corporate Financial Management course;
- Capital IQ for second year integrated curriculum and for researching and recommending REIT’s in the Real Estate Investment course;
- Morningstar Direct for researching, testing, and creating multi-asset client portfolios in the graduate Managing Portfolios course;
- Rotman Interactive Trader for the 2nd Annual Campus Trading Competition and the Rotman Trading Competition in Toronto;
- All these tools and resources are used to manage the Babson College Fund, utilizing fundamental, technical, economic, and quantitative applications to help meet endowment goals, improve security selection, and enhance portfolio performance.
- Many of these resources are also used in the Cutler Center (finance/investments) MCFEs.

In addition, we have designated two afternoons each week during the semester for “FactSet Thursdays” and “Bloomberg Fridays” to encourage students at all level to establish baseline or advanced skills in both of these essential market data tools.
Addendum F: Cutler Center Leadership Team and Contact Information

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Faculty Advisor, Cutler Center MCFEs
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