



BABSON

**THE STEPHEN D. CUTLER CENTER  
FOR INVESTMENTS AND FINANCE**

**ANNUAL REPORT 2018**



# OUR MISSION

The **Stephen D. Cutler Center for Investments and Finance** is dedicated to advancing finance education and improving the marketability of Babson students. We provide programs and cutting-edge resources that enrich the student learning experience, support faculty research, and engage our alumni community. We're 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.

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

— Bruce Herring '87, Former President, Strategic Advisers, Asset Management Division, Fidelity Investments

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STATE OF THE ART  
FINANCE LAB



The Cutler Center was founded in 2000 with a generous gift from Stephen D. Cutler MBA'61 and his wife, Alice. Thanks to their continued generosity and the support of many additional alumni, parents, and friends, the Cutler Center advances finance education and improves the skill set and marketability of Babson students.



# ADVISORY BOARD

## LEADERSHIP



**PATRICK GREGORY, CFA**  
 Managing Director,  
 Cutler Center  
 Faculty Director,  
 Babson College Fund (BCF)  
 Senior Lecturer, Finance Division  
[pgregory@babson.edu](mailto:pgregory@babson.edu)



**JACK CAHILL**  
 Manager, Cutler Center  
 Research and Instruction  
 781-239-4578  
[jcahill@babson.edu](mailto:jcahill@babson.edu)



**RYAN J. DAVIES, PH.D.**  
 Associate Professor of Finance  
 Finance Division Chair  
 781-239-5345  
[rdavies@babson.edu](mailto:rdavies@babson.edu)



**FARRAH NARKIEWICZ**  
 Program & Marketing Manager  
 781-239-4448  
[fnarkiewicz@babson.edu](mailto:fnarkiewicz@babson.edu)

“The Cutler Center is a critical component of student’s education in finance and investments, giving them the tools to hit the ground running when they enter the workforce.”

— James Spencer, CFA '73, Former SVP & Chief Investment Officer, Cambridge Trust Company

### Our leadership team benefits from the support of our advisory board, which includes:

- John Bailer, CFA '92 (Vice Chair), Senior Portfolio Manager for U.S. Dividend Portfolios, Mellon
- Brian Barefoot '66 H '09 MP '01, Senior Advisor, Carl Marks Advisors
- Dan Brennan '87 MBA '89, Executive Vice President and CFO, Boston Scientific
- Chris Chandor MBA '98, Senior Vice President of Development & Asset Management, The Davis Companies
- Karen Chandor MBA '74, Principal, Mercer
- Stephen Cutler, CFA M '61, President, Portfolio Manager & Managing Principal, Essex Investment Management Company
- Chip Dickson, CFA '74 MBA '76, Co-Founder, DISCERN
- Bruce Herring '87, Former President, Strategic Advisers, Asset Management Division, Fidelity Investments
- Harold Kotler, CFA '65, Partner, CEO, CIO, Gannett, Welsh & Kotler (GW&K Investment Management)
- Jeff Mortimer, CFA '86, Director, Investment Strategy, BNY Mellon Wealth Management
- Jason Orlosky '04, Director of Thematic Strategies, Stifel
- Annabelle Reid MBA '86 (Chair), Managing Partner, FoxMoor Capital
- James Spencer, CFA '73, Former SVP & Chief Investment Officer, Cambridge Trust Company
- Sandy Sperou '01, Hotel and Real Estate Investor
- Rick Spillane, CFA, Director, Eaton Vance Management
- Joseph Spinelli '98, Trader, Millennium Management
- Jim Taylor '86, Senior Vice President, Wealth Management, UBS
- David Thompson, CFA MBA '71, Managing Director, Brown Advisory
- Jurrien Timmer '85, Director of Global Macro, Fidelity Investments
- Catherine Friend White MBA '86, Managing Director, Golden Seeds
- Mark Williams MBA '04, Partner, Cape Horn Coffees, Inc.



**John Bailer '92 and James Spencer '73 were featured in the summer edition of the Babson Magazine to discuss their involvement with the Center and its importance to students on campus.**

# STEPHEN D. CUTLER CENTER FOR INVESTMENTS AND FINANCE



INVESTMENTS LAB  
PERFORMANCE LEADERS

## STATE OF THE ART FINANCE LAB

To prepare students for successful careers in finance, we provide access to state-of-the-art resources and educational programs. The Finance Lab is in constant use by students analyzing securities and public and private market transactions, as well as by faculty conducting research and preparing lectures.

Our lab offers a wide array of analytical tools:

- > Bloomberg
- > FactSet
- > S&P Capital IQ
- > Thomson Reuters Eikon
- > Rotman Interactive Trader
- > ARGUS Commercial Real Estate

### A World Class Finance Lab

Part of our evolution must include a larger physical space that can be used for teaching graduate, undergraduate, and executive education courses. We have secured a prominent location for an expanded lab in the new Babson Commons that will be built in front of Horn Library. Construction commenced in May 2018 and is expected to be completed in May 2019.

The new finance lab will sit at the heart of campus and provide Babson students with unique opportunities to learn and lead, giving them access to a suite of analytical tools and exclusive experiential learning programs designed to prepare them for successful careers in financial services. The expanded facility will accommodate 42 workstations, allowing Babson to provide sufficient technological resources and space that will profoundly change the finance curricula.

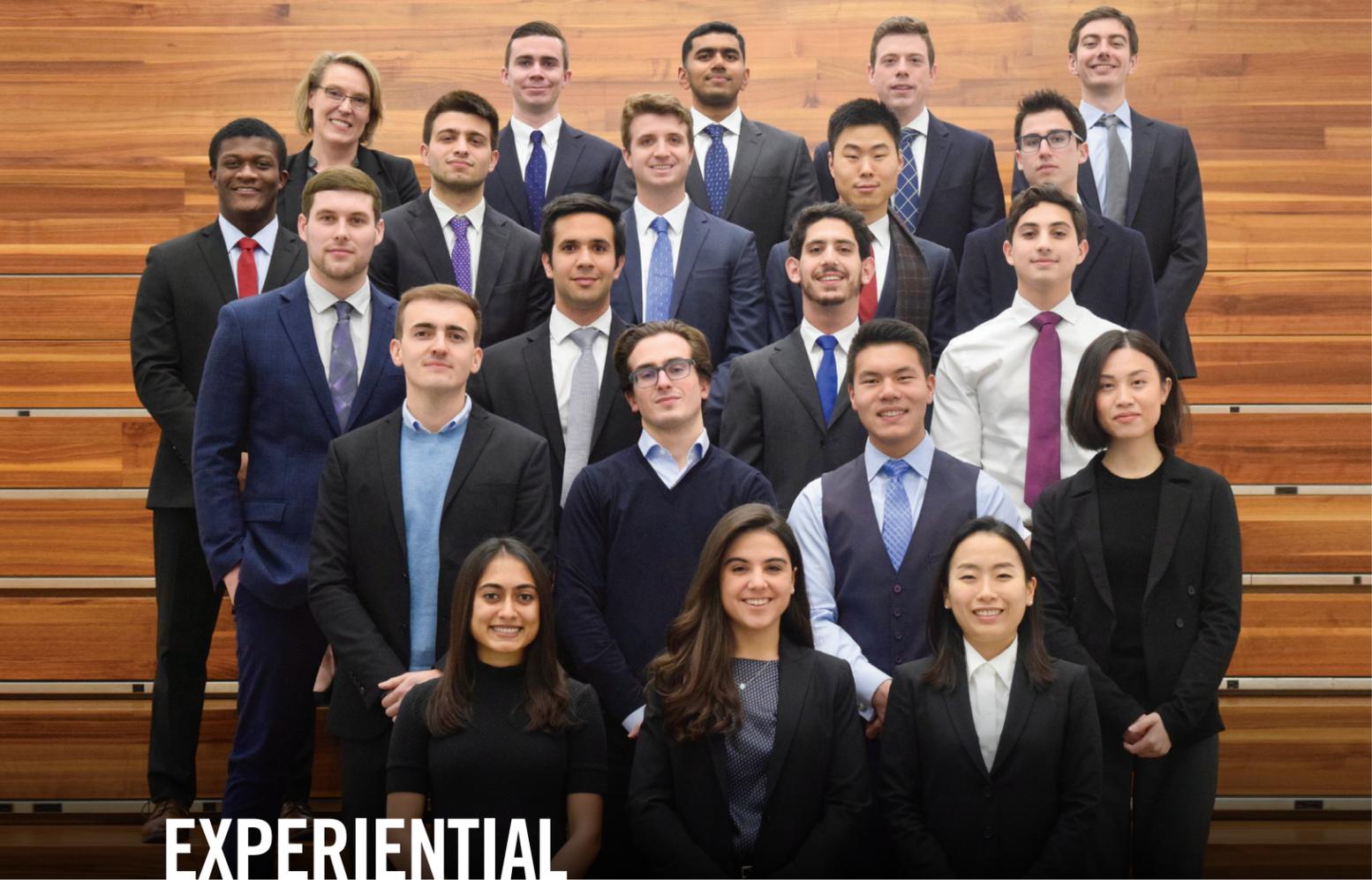
It will also allow our application-oriented faculty from other disciplines to integrate the Cutler Center resources into our graduate, undergraduate, and executive education programs.



“The Cutler Center is designed to enrich the educational experience for our students, support faculty research and teaching, and enhance the reputation of the College.”

— Patrick Gregory, CFA, Managing Director, Cutler Center





# EXPERIENTIAL LEARNING

We provide Babson students with unique, hands-on opportunities to build valuable skills, lead outside the classroom, and work toward professional designations like the CFA®.

## Babson College Fund (BCF)

BCF is an accredited two-semester program that allows a select group of undergraduate and graduate students to manage a portion of the Babson College endowment, gaining investment research and portfolio management skills as well as practical experience. Students conduct fundamental and quantitative research, pitch their ideas, and work with a team of experienced money managers to create a diversified, long-short equity portfolio.

This year's BCF participants received job offers from the following firms:

- > Wellington Management
- > Bridgewater Associates
- > Goldman Sachs
- > Rothschild & Co.
- > Piper Jaffray
- > Bank of America Merrill Lynch
- > Credit Suisse
- > Harris Williams

“ The Cutler Center sponsors the Babson College Fund (BCF), which was a life changing program for me. It was through this program that I found my passion for investing. The experience in BCF helped me to better understand the financial markets, to network with program alumni and like-minded peers, and ultimately secure a job offer with Bridgewater Associates. ”

— Yanchuan Cai '19

FINANCE IS THE  
**NO.1**  
INDUSTRY EMPLOYING  
BABSON STUDENTS

The Cutler Center sponsors students who participate in a wide range of competitions including the Rotman International Trading Competition, CFA Institute Research Challenge, and Van Berkom JMSB Small Cap Case Competition.

## The Rotman International Trading Competition (RITC)

RITC is an annual event held in the heart of Canada's financial district that draws over 50 teams of students from universities worldwide to participate in a unique three-day simulated market challenge. Babson has an impressive track record including winning the competition in 2009 and placing second in 2007 and 2010. The 2018 team comprised of Elena Yang, Meiwei Luo, James Jackson, Mohnish Mehta and Victor Cesar Mantovani Dias Gomes placed 13th out of 52 teams.



## CFA Institute Research Challenge

The CFA Institute Research Challenge involves analyzing a local company and then writing a comprehensive research report with a buy, hold, or sell recommendation. The 2018 team, comprised of Jay Boland, Yanchuan Cai, Andrew Halvorson, and Jonathan Martin, was selected as a finalist and had the opportunity to present their research to the management team along with a group of industry professionals who serve as the judges for the competition.



## Van Berkom JMSB Small Cap Case Competition

Team Babson placed third at the 7th annual event, which is the premier case competition focused on small-cap investment. This competition provides students with an opportunity to showcase their ability to analyze financial business cases, develop strategic recommendations and apply the academic skills they have gained in the classroom. The team was comprised of Tim Hasbergen, Lilia Chobanova, Jack Long and Dhriti Shetty and lead by faculty advisor Spencer Adams.

## Management Consulting Field Experience (MCFE)

The Cutler Center leveraged its network in the financial community to organize two Management Consulting Field Experiences (MCFEs) in 2018. The MCFE program provides graduate students with the opportunity to apply what they have learned in the classroom to real-world consulting engagements.

# THOUGHT LEADERSHIP

The Cutler Center hosts conferences, panel discussions, and presentations that position Babson at the forefront of finance education. As a result, the events have centered on FinTech, ESG and Impact Investing, and other growth areas in finance.



## Babson Finance Conference: The Future of FinTech

Hosted by the Federal Reserve Bank of Boston, the sold-out conference included a keynote address and breakout sessions that allowed students, alums, and industry practitioners to interact with FinTech leaders who discussed the future of FinTech, including the latest in artificial intelligence, blockchain, and cryptocurrency. Featured speakers included:

- **Sarah Biller**, Co-Founder, FinTech Sandbox
- **Jim Cunha**, Senior Vice President, Federal Reserve Bank of Boston
- **Sri Krishnamurthy** MBA'11 CFA, CAP, Chief Data Scientist and President, Quant University
- **Havell Rodrigues** MBA'03, CEO and Co-Founder, Adjoint Inc.
- **Chuck Senatore**, Head of Risk Oversight, Fidelity Investments



## Fireside Chat with Bill Cummings

Real estate mogul, entrepreneur, and philanthropist Bill Cummings sat down with Lecturer Paul Griesmer to offer keen insights and pioneering thinking that produced great prosperity and a multibillion-dollar enterprise. The discussion with the billionaire drew over 200 students, alumni, and real estate professionals. Merrill Lynch provided copies of his book for students who attended and Bill graciously walked over to the campus store for a book signing.



## Distinguished Speaker Series with Joel Tillinghast

Joel Tillinghast, a revered portfolio manager and thirty-five year veteran of the investments industry, was our Distinguished Speaker this fall. At 31, Joel launched Fidelity's® Low-Priced Stock Fund which now has nearly \$40 billion in assets under management. The fund has earned a net annual return of 13.8% over the past 28 years, outperforming the Russell 2000 by 400 basis points. Joel discussed his investment process, what it takes to be a successful investor, and the challenges of finding an edge in today's markets. The event, which was attended by 170 students and alums, was followed by a networking reception with Joel.

# FEATURED PARTNERSHIPS

## Boston FinTech Week

The Cutler Center hosted multiple panels and workshops at our Boston campus during Boston FinTech Week in September 2018. The week-long event brought together more than 2,000 professionals from the FinTech ecosystem and was capped off with our Future of FinTech panel at GSV Labs.

### • Time-Tested Rules of FinTech Venture Investing

One of our fireside chats featured Matt Harris of Bain Capital Ventures in NYC. The sold-out session was held at the Boston campus and moderated by Bloomberg's Janet Wu. During the discussion, Mark commented that his two best Boston-based investments were founded by Babson alumni, which was quite a compliment. The session was followed by breakout sessions with 8 venture capitalists.

### • Future of Insurance

Another fireside chat featured Mike Fanning, Executive Vice President at MassMutual Financial Group, who discussed the future of insurance. Mass Mutual has been a pioneer in integrating FinTech into the insurance industry. Mike shared MassMutual's innovative approach to dealing with the changing landscape of customer expectations, regulation, and data as part of his discussion. He mentioned that based on their technology platform, they can now underwrite an insurance policy in less than 15 minutes... quite a change for a firm that used to begin the process with a 40-page application.

### • Future of FinTech Panel

The capstone for the week was our Future of FinTech Panel at GSV Labs. The panel included executives from Columbia Threadneedle, Silicon Valley Bank, and Putnam Investments. The topics included how financial businesses are changing the way they adapt to technology, collaboration with startups, and opportunities across markets.

WEEK-LONG EVENT  
BROUGHT TOGETHER  
**2,000+**  
PROFESSIONALS FROM  
THE FINTECH ECOSYSTEM.

## CWEL Circles

Hosted by the Center for Women's Entrepreneurial Leadership (CWEL), the Cutler Center partnered on two sessions during the fall semester where featured alums from the finance industry offered insights into their careers, businesses and experience in the industry. The fall semester speakers included:

- **Sumeit Aggarwal, MBA '05**, Personal Finance Literacy Coach and Advocate, Co-Founder, Finhive LLC
- **Catherine Friend White, MBA '86**, Managing Director, Golden Seeds and Founder & Director, FinArc Investments Inc.

## Financing the Future

In collaboration with The Lewis Institute, these sessions explore the crucial role of capital in driving social change by asking the following questions: How will we finance our future? What new financing mechanisms are being created? What role do large corporations, NGOs, government agencies, community foundations, family offices, philanthropists and investors play? What's working? What's needed? We co-sponsored the program with C. Sara Minard, PhD, Chief Program Officer at College for Social Innovation.

## Finance Career Panel

In partnership with the Center for Career Development, students were given the opportunity to hear from our panel of Babson alumni who discussed what finance jobs entail on a day-to-day basis, the skills needed to succeed in their respective sectors, and how they broke into these competitive fields. Panelists included:

- **Joel Bonina '11**, Finance Manager, Boston Scientific
- **Kathryn Hersey MBA '10**, Senior Vice President, Senior Portfolio Manager, Cambridge Trust Company
- **Jancy Yang '09**, Vice President, Institutional Equity Division, Morgan Stanley
- **Sam Thompson MBA '04**, Senior Managing Director, Progress Partners, Inc.
- **John-Paul Vachon MBA '14**, Assistant Vice President, KeyBank Real Estate Capital

## A Conscious Capitalist's Approach: Ron Shaich, Founder & Chairman of Panera Bread

After decades building Panera Bread into the most successful fast-casual restaurant chain in the industry, Ron Shaich shocked many investors when he announced that he was taking the company private in July 2017. In this important discussion that was co-sponsored with Conscious Capitalism, Ron explained to 60 students and alumni why he took the company private and what we must do to counteract the damaging short-termism and narrow agendas that now permeate our capital markets.



# TEACHING & RESEARCH SUPPORT

The Cutler Center supports Babson faculty as they pursue vital research, develop intellectually rigorous programs, and deliver engaging lectures.

In 2018, the Cutler Center provided research assistants and data to support the scholarly efforts of faculty such as Associate Professor **Jérôme Taillard**.

## Value Investing with Gary Mishuris, Managing Partner and CIO of Silver Ring Value Partners

Select undergrad and graduate students participated in an 8-week long seminar series with Gary Mishuris, CFA. Through this course, Ben Graham's Security Analysis was used to discuss the investing philosophies and processes of successful value investors. Through this course, students are able to use the insights from the readings to build their own value investing framework that is internally consistent and suited to their strengths.

## Financial Modeling Workshop with Lecturer Spencer Adams

Undergraduate and graduate students were invited to a four-hour workshop on financial modeling that involved a hands on construction of a 3 statement integrated financial model. Spencer Adams has over 20 years' experience as an investment banker and corporate financial executive.

## Seminar Speaker Series

The Center also sponsors the **Seminar Speaker Series**, which allows faculty to build relationships in the academic community and exchange ideas with other top researchers. The 2018 speakers included:

- **Jonathan Brogaard**, assistant professor of finance at the University of Washington Foster School of Business, presented his paper "Price Discovery without Trading: Evidence from Limit Orders"
- **David Thesmar**, Franco Modigliani Professor of Financial Economics and a Professor of Finance at the MIT Sloan School of Management, presented his paper "New Experimental Evidence on Expectations Formation"
- **Amber Anand**, Edward Pettinella Professor of Finance at Syracuse University, presented her paper "Do Buy-side Institutions Supply Liquidity in the Bond Markets?"

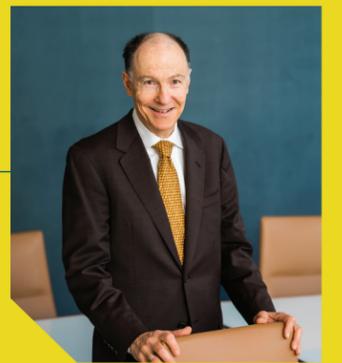
**Jérôme Taillard**, Associate Professor of Finance at Babson College, has received the **Michael J. Brennan Best Paper Award** at the Review of Financial Studies.




# ALUMNI ENGAGEMENT

## Volunteer

**James Spencer, CFA '73**, Former SVP & Chief Investment Officer, Cambridge Trust Company  
 Jim has been an executive in residence for the center since 2003, sharing his experience as Chief Investment Officer of Cambridge Trust Co. with students enrolled in the Babson College Fund. Jim is also member of the Center's advisory board.



## Mentor

**Ross Klein '10**, Equity Analyst, Boston Partners  
 Ross attended a Babson College Fund class as a guest speaker. He was so impressed with the caliber of the questions and feedback he heard in class that he offered to mentor a few of the students.

## Speaker

**Rick Schoeb MBA'92**, Managing Partner, AquaeCapital  
 After taking a career break in 2017, Rick wanted to volunteer more with his free time and to give back to his alma mater. After reaching out to Managing Director Patrick Gregory, Rick began coordinating with faculty and staff on his visit. Rick came to campus for three days where he lectured in six classes along with meeting the Babson Investment Club and Graduate Finance Club.

## Corporate Site Visit

**Karen Snow '93**, SVP, Head of East Coast Listings & Capital Services, Nasdaq & **Joseph Spinelli '98**, Trader, Millennium Management  
 Karen and Joe collaborated to host a Buy-Side Panel during the annual Babson Wall Street Trek at Karen's office in New York City. Together they recruited a panel of alumni, which spoke to approximately 20 students. The 50-minute session focused on discussing the state of the asset management industry, types of jobs in the field, and responsibilities at different levels within the industry.

## Recruit & Hire

**John Murphy '89**, Managing Director and Director of Business Analytics, Wellington Management  
 John participated in the Finance Industry Spotlight Program during the fall and took additional time to meet and connect with students while on campus. John has been instrumental in the relationship between Wellington and Babson as the company continues to post multiple jobs at Babson. In 2018, Wellington hired four full time hires.

**BABSON IS A PROUD MEMBER  
OF THE CFA INSTITUTE'S  
UNIVERSITY AFFILIATION PROGRAM,  
AND BLOOMBERG'S EXPERIENTIAL  
LEARNING PARTNER PROGRAM.**

# CENTER PARTNERSHIPS

## CFA Institute University Affiliation Program

Through the CFA Institute University Affiliation Program, students have access to a suite of benefits as they prepare for the CFA Program, including:

- 16 annual scholarships
- Access to the CFA curriculum (Levels I, II, and III)
- Practice Exams (Levels I, II, and III)



## Bloomberg Experiential Learning Program

Babson was the inaugural recipient of Bloomberg's Experiential Learning Partner program. The Bloomberg ELP is designed to recognize academic institutions that are leaders in experiential learning through the integration of Bloomberg terminal exercises in their curricula.



**Bloomberg**  
Experiential  
Learning Partner

## Financial Executives International (FEI) Boston

Each month during the academic year, the Cutler Center partners with FEI Boston to bring their Professional Development Series to campus. These events draw an estimated 30-40 senior finance executives to campus each month and provide Babson students, faculty, and staff with an opportunity to connect with corporate finance practitioners.

