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Invested in the Future

A Commonfund Viewpoint



Real life, real money, real rewards: Student-managed investment funds bring hands-on portfolio management to the college campus

According to NACUBO research, [Student-Run Endowments, Explained](#), in 1946, returning World War II veterans made a \$3,000 donation to Lafayette College in Easton, Pennsylvania, to establish a campusbased investing club. Student members of the club could use the funds to decide which stocks to buy or sell and to make other investment decisions. A faculty advisor could help with research or other needs, but ultimately students would make the investment decisions with the money received.

According to the [Lafayette College Investment Club's website](#), the initial \$3,000 investment is now approaching \$1.6 million in value. The club uses a portion of the income received from its investments to fund educational experiences for current and future Lafayette College students.

Student-managed investment funds, or SMIFs, have grown substantially over the years but measured against the size of the overall U.S. higher education community they are relatively few in number—about 600 according to a NACUBO estimate. Of the 657 institutions responding to this year's [NACUBO-Commonfund Study of Endowments](#), 229 said they have student-managed funds. The [Student Managed Investment Fund Consortium](#), founded in 2013 at [Indiana State University](#), has a little over 300 member institutions. The majority of SMIFs were founded in the early to mid-2000s.

As the name implies, SMIFs are pools of funds that college students use to invest in stocks, bonds or other financial assets. Students make the decisions on which assets to buy and sell—either on their own or with the assistance of faculty advisors, volunteers from investment firms or investment committee members. The funds are usually provided by donors, although some institutions have provided the funds through carve-outs from their endowments or other assets. While students are involved in investment decisions,

technically and legally SMIFs are owned by the sponsoring universities. As such, any gains generated by SMIFs are used to benefit the sponsoring university, not the individual student investors.

The primary benefit SMIFs offer is the educational and career opportunities they afford students. Many funds have a few other distinguishing characteristics:

- They are housed in and supported by a campus academic department, such the school of business. That said, SMIFs are also found at traditional liberal arts institutions that do not have a school of business or a business curriculum.
- They generally allow student participants to receive academic credit, mentoring from industry experts, or other educational benefits for participating.
- They give students real-world experience in setting investment objectives, developing a strategy, conducting research, constructing portfolios and developing/implementing other policies and procedures related to investment management.

SMIFs have performed well in recent years—in some cases better than the more diversified, long-term portfolios of their parent institutions—due to their large allocations to public equities, which have outperformed other asset classes. Fixed income allocations are de minimis and equity allocations are concentrated domestically with small allocations to international equities.

The following are summary profiles of SMIFs at four institutions: a private university, a community college, a public university foundation and a public university.

UNIVERSITY OF DAYTON



The University of Dayton's student-managed Flyers Investment Fund is housed in the Davis Center for Portfolio Management. The fund is recognized as the nation's largest SMIF, with more than \$80.7 million in assets as of December 2025. The fund is actually a carve-out within UD's overall \$1.4 billion endowment; in addition, students manage an additional \$4.8 million for the Dayton Foundation, a community foundation with a total endowment of \$1.2 billion.

About 80 students manage the funds, an average of about 20 students from each class, first year through senior. Professor Daniel J. Kapusta, Director of the Davis Center, says Dayton's SMIF is first and foremost about experiential learning. "The Flyers Fund is a great opportunity for hands-on management of a portfolio and the results bear out the job our students have done, growing an initial \$15 million to more than \$85 million currently." Further, he says, "It's not just about the investment skills they learn—managing a portfolio instills a strong work ethic and sense of commitment while making our students attractive candidates for internships that often lead to careers in investment management." Senior Andrew Kohnen is an example. The CIO of Dayton's SMIF, Kohnen interned this past summer at Rothschild & Co. in New York City and will begin a full-time position there after graduation in 2026.

The fund has a growth-at-a-reasonable-price (GARP) philosophy with students organized into teams structured around the 11 S&P industry sectors. On average the fund holds about 75 names, all U.S. listed with a minimum market capitalization of \$2 billion. Investments must also meet the university's adherence to Catholic Marianist values as well as its criteria for ESG and sustainability.

Prof. Kapusta notes that the students have to present every semester to an advisory council made up primarily of institutional investment professionals and once a year they appear before the board of trustees to review portfolio performance and preview positioning for the year ahead. To his point about the students' hard work and diligence, Prof. Kapusta says that they can put in from 30 to 50 hours analyzing each stock they recommend for the portfolio. But it pays off: Over the past 10 fiscal years, annual returns have averaged 15.2 percent.

CUYAHOGA COMMUNITY COLLEGE



The oldest community college in Ohio may also be the first with a SMIF. Cuyahoga Community College was founded in 1963 to serve Cleveland and the greater Northeast Ohio region. Today, "Tri-C," as the college is known locally, maintains four campuses, offers more than 200 career and technical programs, and is the leading source of the region's health-care workers.

Melanie Majikas, Executive Director, Development Services of the Tri-C Foundation, the college's institutionally-related foundation (IRF), says that Cuyahoga's SMIF was founded in 2023 as a result of two factors. "Being a community college, our average student is older, an average of 27 or 28, and the majority of our students are part-time. So, it's a very different student population than the typical four-year institution," she explains. "At the same time," she adds, "the members of the foundation's finance committee were searching for ways to engage with students and help them connect with workplace opportunities." Researching ways to match up those factors, Majikas says, led to student-managed funds and a look at what other institutions were doing with them.

It helped as well that there was faculty support for a SMIF as a way to enhance classroom learning by extending it to a hands-on working environment. Majikas says that there was discussion about which model would be correct for Tri-C: inclusion in a degree program or what would basically be an investment club. Ultimately, they chose to incorporate the SMIF into a special honors course for finance and accounting students. The capstone of the course is a student presentation to the finance committee in which researched stocks are recommended for the committee to consider for inclusion in the portfolio.

UNIVERSITY OF SOUTH FLORIDA FOUNDATION



“It’s experiential learning, for certain, the type you cannot replicate in a textbook ... you’re managing real money and you pitch your buy recommenda-

tions in front of a group of Tampa Bay investment professionals. So, you’re thrown into the shark tank and need to think on your feet. Professionals throughout the investment industry know the value of this experience so that generally gives these students an edge in the job market.” That’s how Ken Souza, Assistant Vice President of Investments, the University of South Florida Foundation, sums up the benefits of SMIFs.

The USF Foundation has two SMIFs working in collaboration with the Muma College of Business. Since its inception in 2010, the original SMIF has been managed by students studying Applied Securities Analysis, a rigorous, selective two-semester course. The fund’s assets were donated for this specific purpose and have grown to over \$1.4 million. Souza describes the fund as an all-cap, actively managed equity vehicle with an investment objective of outperforming the S&P 500 Index. The second fund operates out of the St. Petersburg campus’ Merrill Lynch Wealth Management Center. This fund takes a total portfolio approach and thus is more diversified, with stocks and ETFs allocated to U.S. and international equities as well as fixed income. It currently has about \$750,000 in AUM. Both funds are overseen by faculty in the Kate Tiedermann School of Business and Finance.

The professor teaching the Applied Securities Analysis course serves as the CIO of the larger fund. Students in the class serve as analysts. At various times, the professor will direct students to select a GARP stock, a deep value stock, a small-cap growth stock, etc. and then present their rationale before a committee of investment professionals. Over the long term the fund has realized average annual returns in the 12 percent range. Recently, the fund has trailed the S&P 500 because it underweighted the “Magnificent 7.” That’s something many an active manager can empathize with.

UNIVERSITY OF SOUTH ALABAMA



The University of South Alabama, located in Mobile, is home to the Jaguar Investment Fund (JIF), which was launched in 2015 with a private

gift of \$250,000; in 2018 the fund received another \$250,000 gift from the same source. Currently, the fund has assets of more than \$1.5 million. A second entity, the USA Fund, was begun in 2021 with an investment of \$750,000 from the university’s IRF; it has grown to nearly \$1.3 million. Then, in late 2024 the university agreed to commit \$200,000 annually from its core endowment over a period of five years for the USA Fund to manage with the first deposit occurring in January 2025. The funds charge a 1 percent management fee, which is used for student development, for example, attendance at academic and professional development conferences.

Creating the SMIFs has helped the university’s Mitchell College of Business recruit students from different academic and geographic backgrounds largely because they want the experience of managing real money, says Chris Lawrey, associate professor of economics, finance and real estate and director of the JIF. The students are mostly upper class finance majors and they work in a dedicated center that replicates the trading floor at a brokerage—including all the technology, analytical tools and ubiquitous Bloomberg terminals one would find there.

The Jaguar Fund seeks to provide students with exposure to a wide range of equity investments, including domestic equities, ADRs, ETFs and REITs. Current ETF holdings are concentrated in gold and commodities. The fund is also able to write covered call options. Both the Jaguar and USA Funds are benchmarked to the S&P 500 Index. Students perform in the various roles that would be found in a major investment management firm. Among them are financial analyst, economist, political analyst, operations manager, risk analyst, options analyst, and there is a Risk Management Group that can veto any trade that doesn’t conform to the investment policy statement.



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