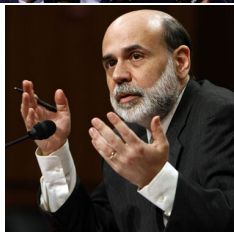


LIONS ON WALL STREET: THE NITTANY NOTICE



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Chaos Breeds Opportunity: Sachin Aggarwal

Upon graduation from the Schreyer Honors College at Penn State in 2004, Sachin Aggarwal has been working in Merrill Lynch's Investment Banking division in the Corporate Finance group. He spent two summers interning with Merrill prior to joining the firm and is currently an associate with his group. Sachin was also among those who laid the foundation for the Nittany Lion Fund, with his involvement in the Penn State Investment Association starting as a freshman at Penn State. He ran the PSIA Fixed Income division for a year and a half before becoming President during his Junior and Senior years. During this time, many changes were made that reflect the current structure of the fund. For instance, he began by eliminating the Fixed Income division and added a Portfolio Analysis Group and Economic Analysis Group. He worked with Dr. J. Randall Woolridge to refine the investment policy, create the structure of the NLF and its relationship with PSIA and helped draft the original PPM targeted to individual investors (mostly all other student

-run investment funds have received seed funding via university endowment investments) for the NLF. As someone who held a leadership position with PSIA, Sachin advised the current leaders: "One of the greatest parts of being involved with a group like the NLF is that it is a great opportunity to learn through experience and discuss market-related matters with your peers. It is extremely vital to the group to continue to teach and encourage young members to participate – fresh perspectives enhance the investment decision debate."

When asked whether students should still view Wall Street as a viable career opportunity, Sachin responded, "Absolutely. The job market is likely to suffer over the next two years – the blow up of hedge funds and private equity firms plus consolidation in the banking industry results in significant supply and not enough demand. In the short term, this will likely result in greater competition and lower compensation; but for the long-term, there can be significant upside poten-

tial – chaos breeds opportunity". Focusing more on how PSU students should prepare, Sachin said, "Penn State trains you well. PSU students should employ their best resources (their intellect and the PSU network) to make their own opportunities. The other thing to keep in mind as a student is that there are more career choices than you may think and multiple paths to achieve your goals - do your research and evaluate what the best fit is for you."

Confidence on Main Street has been damaged in the past months, and some feel the wait for a rebound may be long and hard. Sachin commented, "In 50 years we are going to look back and see the flaws/outcomes of the 2008 financial crisis and fiscal policies our government has employed, but until then market participants will need to be patient as bad assets are reduced, leverage normalizes and confidence is restored."

2009 NLF Managers

Executive Board	Name	Consumer Discretionary	Information Technology
President	Tom Waters	Lead Mahir Desai	Lead Brian Clionsky
Vice President	John Brozick	Associate Harry Lacheen	Associate Santosh Sankar
Chief Investment Officer	Steve Murray	Consumer Staples	Materials
Secretary / Liaison to the Board of Directors	Adam Brown	Lead Rishin Banker	Lead Darrell Reid
Treasurer	Paul Russ	Associate Eric Clair	Associate Jason Gibbons
Leadership		Energy	Telecommunications
Director of Equity Research	TJ Smith	Lead Charles Petredis	Lead Jake Kimble
Director of Compliance	Abi Viswanathan	Associate Amy Henegan	Associate Hassan Chaudhry
Co-Director of PAG	Nestor Solari	Financials	Utilities
Co-Director of PAG	Steve Yost	Lead Taylor Destefano	Lead Allen Lutz
Fund Administrator/Alumni Relations	Tessa Stubler	Associate Zach Cohen	Associate Vinay Ayala
		Healthcare	
		Lead Ryan Savitz	
		Associate Alex Zabaloieff	
		Industrials	
		Lead Jim Regan	
		Associate Derek Stevens	

Nittany Lion Fund Manager of the Month– Taylor DeStefano



Taylor DeStefano is currently a sophomore majoring in Finance from Exton, PA. She has served as the Associate Analyst of the Financials Sector for 2008 and will be returning as the Lead Analyst in 2009. Last summer she interned at Merrill Lynch in their Global Wealth Management division and worked at Brite Realty, a property manager. Taylor is interested in a career in Alternative Investments, particularly in Private Equity. Aside from the Fund, Taylor is involved in various activities, including a professional business fraternity, Alpha Kappa Psi.

The Financials sector has outperformed their respective index by 19.76% YTD. Their current holdings include Goldman Sachs Group Inc. (GS), Federated Investors, Inc. (FII), BlackRock, Inc. (BLK), Aflac Inc. (AFL), JPMorgan Chase & Co (JPM), PNC Financial Services Group Inc. (PNC), and Bank of New York Mellon Corporation (BK).

Taylor says, "Serving as the Associate Analyst in the Financials Sector over the past year has been a challenging but invaluable learning experience. We have sought to reduce risk in our sector by diversifying our holdings and investing in banks with strong balance sheets and consistent cash flows, along with firms who stand to profit from assisting distressed financial services companies. Going forward, the day-to-day volatility in our sector and the broader market is sure to remain as economic conditions have worsened over the past several weeks, and the Treasury is contemplating requesting a fresh batch of

funds from Congress. My goal is to continue to focus on the long term and invest in companies who will benefit from the consolidation in the sector."

"The Nittany Lion Fund has provided me with a significant opportunity that is virtually unparalleled at other universities. My participation in the Nittany Lion Fund has sparked my interest in the market, increased my analytical aptitude, and allowed me to improve my presentation skills. It has also been exciting to become an integral part of our newly formed Nittany Lion Fund THON team, serving as a Donor Relations Chair. I look forward to navigating the Financials Sector during the unprecedented financial crisis, and I know that the comprehensive education and unique experiences that come with managing a sector will ultimately prepare me for my future career."

"For students interested in jobs on Wall Street, I would encourage you to be very proactive and targeted in your job search. In today's environment, employers can be far more selective in their hiring decisions, both from a GPA and experience standpoint. It will be vital for candidates to differentiate themselves by articulating not only why they want the job, but how specifically they'll be additive to the position." *Ali Chaudhry, Merrill Lynch Investment Banking, NLF Alumni*

Stock Pick of the Month– Wal-Mart (WMT)

Wal-Mart Stores, Inc. operates various discount retail stores such as Wal-Mart and Sam's Club primarily in the United States, although 24% of its revenue comes from international markets such as UK, China, Brazil, Canada, and Mexico. Overall, the company operates 3,550 Wal-Mart stores in the U.S. along with 591 Sam's Club stores, while 3,121 stores are setup overseas. Wal-Mart differentiates itself by providing quality products to customers at "Every-Day-Low-Prices" or EDLP, while priding itself on its industry-leading supply chain management. The company's strategy of "Bigger and Cheaper" allows them to pursue aggressive store growth to maintain economies of scale and leveraging power over suppliers while passing the low-cost benefit on to consumers. The company's

strong business strategy and low-price leadership has propelled Wal-Mart to the top of the food-and-staples retail industry.



Key Drivers:

A negative economic outlook sparked by increasing unemployment, record-low consumer confidence, and a nationwide destruction in housing prices has allowed Wal-Mart to separate itself from the rest of the pack. As a low-price leader, the company's market position allows them to take ad-

vantage of a consumer trade-down through their EDLP strategy. Also, Wal-Mart's diverse product offerings such as grocery, apparel, and discretionary items for the holidays allows them to benefit from the tremendous foot traffic amongst their 4,141 stores in the United States. This trade also benefits out sector from a portfolio allocation standpoint. Since Consumer Staples did not have any exposure to the food or discount retailers which represents the largest industry in the sector, our lead and associate analysts felt it was in the Nittany Lion Fund's best interest to capture that exposure. Lead analyst of the Consumer Staples sector comments, "Wal-Mart will continue to benefit the Nittany Lion Fund through its recession-resistance business model and EDLP strategy".

THE NITTANY LION FUND

November's Sector Summaries

Consumer Discretionary returned -4.45% nominally in November but outperformed the S&P500 Consumer Discretionary benchmark by 5.93%. VF Corp was up 5.7% and Nike outperformed by 3.2% versus the benchmark for the month. NKE and VFC continue to face a difficult retail environment and FX headwinds, but provided much needed stability with cash heavy balance sheets and diversified product lines. McDonald's returned 1.42% for the month and outperformed the benchmark by 12.3%. MCD continues to benefit from the 'trade-down' effect amongst struggling consumers and a growing Asia-Pacific business.

Consumer Staples returned -1.15% nominally in November, outperforming the S&P 500 Consumer Staples benchmark by 0.88%. Coca-Cola and Wal-Mart outperformed by 12.76% and 6.99% respectively, while General Mills and Philip Morris International underperformed returning -8.78% and -5.04% respectively. The sector replaced Kimberly-Clark and bought into Wal-Mart during the month due to Kimberly-Clarks' exposure to international markets and decrease in volume sales as a result of price increases.

Energy returned -4.58% nominally in November and underperformed the S&P 500 Energy benchmark by -4.97%. Chesapeake underperformed the benchmark by 12.25% and Exxon Mobil outperformed by 17.69%. ConocoPhillips was replaced by Occidental Petroleum in order to gain more exposure to crude oil and shave the portfolio's heavy weighting to natural gas. This trade was also accompanied by a shave to Southwestern and addition to Apache in order to take advantage of short-term gains and reduce market cap risk.

Financials returned -11.45% nominally during the month of November, but outperformed the S&P Financials Sector benchmark by 8.98%. The financial sector made no trades during the period. Aflac and BlackRock were the sector's top outperformers returning a relative performances of 29.40% and 17.77% respectively. Aflac outperformed due to strong business operations and an appreciating

Japanese Yen. The top two underperformers were J.P. Morgan Chase and PNC Financial Services as they returned relative performances of -5.55% and -2.60% respectively.

Healthcare returned -11.28% nominally in November and underperformed the S&P 500 Healthcare benchmark by -4.42%. Gilead Sciences and Johnson & Johnson outperformed the benchmark with returns of -2.31% and -4.50% respectively. Becton Dickinson & Company slightly underperformed the index; however, they declared a quarterly dividend of \$0.33 a share. The largest laggard was Stryker Corp. which had a return of -27.20% during the month of November as investors became worrisome that the recession would case the Orthopedic segment to incur slow growth going forward.

Industrials returned -8.57% nominally and returned -1.03% relative to the respective S&P benchmark for the month. Stericycle, Ametek and Danaher all outperformed the benchmark while General Dynamics and Union Pacific underperformed the benchmark. We also purchased Union Pacific to give ourselves exposure to the transportation industry and further diversify our sector. Our sector continued to weaken as global economics further deteriorated. We continue to mitigate this risk by holding Stericycle, which operates in a non-cyclical industry and Danaher which is an industrial conglomerate with diverse revenue streams.

Information Technology returned -7.43% nominally but outperformed the S&P500 Technology benchmark by 4.54%. Automatic Data Processing rose 17.48% primarily due to strong quarterly earnings and a 14% increase in the quarterly dividend. Cerner fell 3.36% but outperformed the benchmark due to robust fourth quarter guidance that met analyst expectations. Microsoft and Google fell, returning -9.45% and -18.48% respectively. Intel shares fell 13.92% as the company lowered guidance. IBM fell 12.23% and Amphenol fell 18.95%

on no significant company specific news. No transactions were completed.

Materials returned -3.56% nominally in November and outperformed the S&P 500 Materials benchmark by 8.62%. Ecolab outperformed its respective benchmark by 13.39% after introducing a new product to its non-cyclical business line. FMC outperformed the benchmark by 0.32% as demand for soda ash is still at high levels. Praxair gained 1.73% on the benchmark, mainly due to announcements of increased long term contracts with new clients. Freeport McMoRan underperformed the benchmark by -17.45% as copper prices fell by 6.3% from the low of \$1.6 per pound in October.

Telecommunications returned -6.83% nominally in November and underperformed the S&P500 Telecommunications benchmark by -12.45%. AT&T outperformed its respective benchmark by 1.07% for the month. CSCO underperformed -12.54% due to weak guidance for the upcoming quarter. American Tower lost -21.31% on the benchmark, due to liquidation from institutional owners and weakness in its subsector. On November 24, the sector exited its position in L-3 Communications by selling 390 shares at \$63.82, and strengthened its position in AT&T by purchasing 950 more shares at \$26.55.

Utilities returned -7.01% nominally in November, underperforming the S&P Utilities benchmark by 9.23% during the month. TransCanada Pipelines returned -12.97%, Consolidated Edison returned -7.12%, Southern Corp. returned 3.98%. Consolidation Edison lost value due to disappointing third quarter results that stemmed from unforeseen infrastructure costs. TransCanada lagged due to issues surrounding their financing arrangements and subsequent secondary issuance of common stock; further diluting current shareholders.

THE NITTANY LION FUND

NLF Portfolio				NLF Sector Analysis			
Base Portfolio Value	\$	4,754,493		Consumer Discretionary	(4.45%)	-10.37%	5.93%
Current Portfolio Value	\$	3,368,498		Consumer Staples	(1.15%)	-2.04%	0.88%
Cash Balance	\$	253,267		Energy	(4.58%)	0.39%	(4.97%)
Performance	Monthly	YTD	Inception	Financials	(11.45%)	-20.43%	8.98%
Nittany Lion Fund	(6.62%)	(35.77%)	(3.65%)	Healthcare	(11.28%)	-6.86%	(4.42%)
S&P 500 Index	(7.27%)	(38.05%)	(5.86%)	Industrials	(8.57%)	-7.53%	(1.03%)
NLF vs. S&P 500	0.65%	2.29%	2.20%	Information Technology	(7.43%)	-11.97%	4.54%
Key Statistics	NLF			Materials	(3.56%)	-12.18%	8.62%
Portfolio Beta	0.83			Telecommunications	(6.83%)	5.62%	(12.45%)
Sharpe Ratio (1 yr.)	-1.67			Utilities	(7.01%)	2.21%	(9.23%)
Volatility (26 week)	0.40			<i>*Geometric Calculations</i>			
Weighted Ave. Market Value	62.87						
P/E (TTM)	14.66						
YTD Turnover Ratio	1.04						

Current Holdings	a/o 10/31 or Purchase ¹	a/o 11/28	Monthly Performance
Nike Inc	\$57.63	\$53.25	(7.60%)
McDonald's Corp.	\$57.93	\$58.75	1.42%
V F Corp.	\$55.10	\$52.29	(5.10%)
Coca-Cola Co	\$44.06	\$46.87	6.38%
Wal Mart Stores Inc.	\$53.24	\$55.88	4.96%
General Mills Inc.	\$67.74	\$63.17	(6.75%)
Philip Morris International Inc	\$43.47	\$42.16	(3.01%)
Apache Corp.	\$82.33	\$77.30	(6.11%)
Exxon Mobil	\$74.12	\$80.15	8.14%
Noble Corp.	\$32.21	\$26.79	(16.83%)
Chesapeake Corp.	\$21.97	\$17.18	(21.80%)
Schlumberger Ltd.	\$51.65	\$50.74	(1.76%)
Southwestern Energy	\$35.62	\$34.37	(3.51%)
Occidental Petroleum	\$47.70	\$54.14	13.50%
The Goldman Sachs Group	\$92.50	\$78.99	(14.61%)
Blackrock Inc.	\$24.20	\$19.85	(17.98%)
Federated Investors Inc.	\$66.67	\$52.77	(20.85%)
Aflac Inc.	\$44.28	\$46.30	4.56%
Bank of New York Mellon Corp	\$131.34	\$125.71	(4.29%)
JPMorgan Chase & Co.	\$41.25	\$31.66	(23.25%)
PNC Financial Services Group	\$32.99	\$30.21	(8.43%)
Gilead Sciences, Inc.	\$45.85	\$44.79	(2.31%)
Genentech Inc	\$82.94	\$76.60	(7.64%)
Becton Dickinson Co.	\$69.40	\$63.53	(8.46%)
Johnson & Johnson	\$61.34	\$58.58	(4.50%)
Stryker Corp	\$53.46	\$38.92	(27.20%)
General Dynamics	\$60.32	\$51.67	(14.34%)
Stericycle Inc.	\$58.43	\$57.30	(1.93%)
Union Pacific Corp	\$63.41	\$50.04	(21.09%)
Ametek Inc.	\$33.25	\$34.93	5.05%
Danaher Corp.	\$59.24	\$55.64	(6.08%)
Microsoft Corp.	\$22.33	\$20.22	(9.45%)
Intl Business Machines	\$92.97	\$81.60	(12.23%)
Automatic Data Processing Inc.	\$34.95	\$41.06	17.48%
Intel Corp	\$16.03	\$13.80	(13.92%)
Google Inc.	\$359.36	\$292.96	(18.48%)
Cerner Corp.	\$37.23	\$35.98	(3.36%)
Amphenol Corp.	\$28.65	\$23.22	(18.95%)
Freeport Copper & Gold Inc.	\$29.06	\$23.99	(17.45%)
Ecolab Inc	\$37.26	\$38.39	3.03%
FMC Corporation	\$43.54	\$43.70	0.37%
Praxair Inc.	\$65.15	\$59.05	(9.36%)
Cisco Systems, Inc.	\$17.77	\$16.54	(6.92%)
American Tower Corp.	\$32.31	\$27.24	(15.69%)
AT&T Inc.	\$26.77	\$28.56	6.69%
Transcanada Corp.	\$30.30	\$26.37	(12.97%)
Consolidated Edison Holdings	\$43.32	\$40.39	(6.76%)
Southern Corp	\$34.93	\$36.32	3.98%

*red price means purchased in November

¹ If purchased after 11/1/08, then purchase price is displayed