

WILLIAMS INVESTMENT SOCIETY Q2 UPDATE

Introduction

WIS Summary

The Williams Investment Society employs a top-down investment procedure to identify superior companies trading at reasonable prices. The Society believes that through extensive research and analysis, it can identify companies priced by markets at significant discounts to their intrinsic values. Firms must have at least \$500 MM in market capitalization and a minimum share price of \$5. WIS will not hold more than 5% of its portfolio in a single stock.

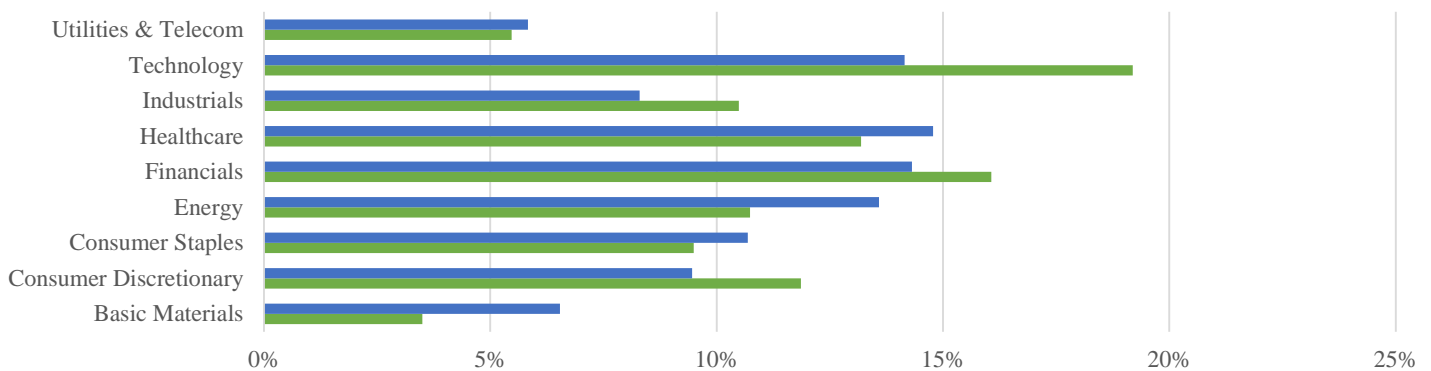
Recent Activity

During the second quarter, the society completed the allocation of the additional funds from Board of Trustees. We executed our trades over several days, aiming to spread out our risk. Through this process, we successfully achieved our target industry and stock weightings (see chart below). We also used this process as an opportunity to learn about trading. The Society conducted a trading floor simulation and learned about different types of orders and in what scenarios each one would be used.

Performance Summary

The WIS portfolio returned 4.25% in the second quarter versus an S&P total return of 5.23%. The market stayed strong in the second quarter despite several negative factors including geopolitical unrest in Russia, Ukraine, and Iraq, slowing growth in China, and mixed economic data prints in the U.S. Investors kept their eyes on the Fed as it continued to taper the size of its quantitative easing and began to reveal its thoughts on eventual rate hikes. The WIS portfolio's beta fluctuated just above 0.9, accounting for part of our lower returns. We also experienced weakness in our Industrials sector with a loss of 1.38% and a low 1.01% gain from Technology. These compare to S&P sector SPDR returns of 2.99% and 5.50% respectively. Our strongest returns came from Financials and Healthcare, with returns of 14.31% and 14.78% respectively. Relative to the S&P sector SPDRs, Energy strongly outperformed with a return of 12.80% versus the Energy SPDR's 8.16%. Basics, Staples, Financials, and Healthcare also outperformed relative to their respective SPDR returns.

WIS 1Q14 Sector Weightings v. S&P 500 Weightings



	Basic Materials	Consumer Discretionary	Consumer Staples	Energy	Financials	Healthcare	Industrials	Technology	Utilities & Telecom
■ WIS	7%	9%	11%	14%	14%	15%	8%	14%	6%
■ S&P	4%	12%	9%	11%	16%	13%	10%	19%	5%

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Current WIS Holdings

Basic Materials

CF	\$28,142.01	-7.72%
LYB	\$64,449.00	9.79%
MEOH	\$86,492.00	-3.38%
MON	\$80,332.56	9.64%
SLW	\$84,720.75	15.73%
Total	\$344,136.32	5.83%

Consumer Discretionary

DIS	\$155,618.10	7.08%
IGT	\$63,321.80	13.16%
PII	\$58,477.76	-6.78%
SBUX	\$129,611.50	5.45%
TJX	\$90,886.50	-12.37%
Total	\$497,915.66	1.48%

Consumer Staples

BUD	\$117,238.80	9.15%
CL	\$85,906.80	5.10%
CVS	\$135,816.74	0.68%
PEP	\$155,004.90	6.99%
SJM	\$68,631.08	9.59%
Total	\$562,598.32	5.84%

Energy

CCJ	\$75,498.50	-14.37%
ARLP	\$98,431.50	10.89%
COP	\$139,739.90	21.86%
DVN	\$104,411.00	18.63%
KMI	\$127,272.60	11.60%
SLB	\$169,612.10	21%
Total	\$714,965.60	12.80%

Financials

EFX	\$117,152.10	6.63%
SCHW	\$108,527.90	-1.46%
V	\$145,389.90	-2.39%
VRSK	\$111,637.20	0.10%
VTR	\$75,317.50	5.83%
WFC	\$195,207.84	5.67%
Total	\$753,232.44	2.29%

Healthcare

CTRE	\$50,391.00	19.93%
DVA	\$198,880.00	5.04%
ENSG	\$79,098.60	30.55%
GILD	\$168,307.30	17.01%
PFE	\$170,808.40	-7.60%
UNH	\$110,362.50	-0.29%
Total	\$777,847.80	6.36%

Industrials

CBI	\$75,702.00	-21.74%
GE	\$89,562.24	1.51%
SNA	\$106,668.00	4.44%
UPS	\$93,420.60	5.42%
WM	\$71,344.35	6.32%
Total	\$436,697.19	-1.38%

Technology

CPSI	\$110,791.20	-1.55%
GOOG	\$93,195.36	3.29%
GOOGL	\$94,716.54	4.82%
MSFT	\$150,954.00	1.73%
ORCL	\$145,908.00	-0.93%
QCOM	149292	0.43%
Total	\$744,857.10	1.01%

U&T

ITC	\$68,582.40	-2.33%
AMT	\$59,386.80	9.91%
DUK	\$107,575.50	4.17%
VZ	\$71,437.80	2.86%
Total	\$306,982.50	3.37%

Totals

Cash	\$124,137.15	
Equities	\$5,139,232.93	
Total	\$5,263,370.08	4.25%

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