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Seeking rainbow's end in 2 trades

With a mythical \$1 million, teams of students test their stock-picking abilities

By Larry Rulison Business writer

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Students at Siena College talk about trading investments in the trading floor room at Siena College in Loudonville, N.Y. Wednesday, Nov, 2, 2011. From left are Steve Gonick, Principal Adirondack Small Cap Fund, senior students Greg Moss, Colleen Cassidy, Brett Solimine, Chris Di Gregorio, Rich Leo, Professor Eric Girard and Jon Ruscitto. (Lori Van Buren / Times Union (Lori Van Buren))



Siena senior Rich Leo at a computer in the trading floor room at Siena College in Loudonville, N.Y. Wednesday, Nov, 2, 2011. (Lori Van Buren / Times Union)



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COLONIE -- The [Adirondack Small Cap Fund](#) in Guilderland has been one of the best performing mutual funds among its peers the past three years.

And now the four-person, \$65 million fund is challenging teams of students from local colleges and schools as far away as Buffalo and Connecticut to see who has the best stock pickers in a contest named the Adirondack Cup.

Teams of up to 10 students have been given a mythical \$1 million to invest in five stocks.

But there is twist to the competition, which focuses on companies with smaller capitalization, basically the dollar market value of its outstanding shares. The students, who bought their initial stocks on Oct. 17, are only allowed to make trades twice between now and when the contest ends in April.

That is designed to force the students to make long-term decisions instead of trying to day-trade their way to the top, says [Gregory Roeder](#), who started the Adirondack Small Cap Fund in 2005 with business partner [Matthew Reiner](#).

"As a team, you need to have conviction," said Roeder, who will spend months analyzing hundreds of companies for hidden value before adding a stock to his fund's portfolio, which was ranked the No. 1 small cap value fund in America by Lipper earlier this year. "If you don't have conviction you're going to second-guess yourselves."

Although its only been two weeks, students from the Capital Region have gotten off to a good start. The University at Albany portfolio is leading the pack with a 14.2 percent return, while [Siena College](#) is in fourth place with a return of 11.2 percent. Union Graduate College is in seventh place.

And even though the stocks aren't real, the competition among schools is fierce. That's especially true at a place like Siena, which has its own trading floor with 12 Bloomberg terminals and allows its students to manage part of its endowment.

"Here we are now against some of our peer schools; there's really a lot of pressure to do well on this," said [Jeffrey Mello](#), dean of the business school at Siena. "For us, this is going to be a healthy competition. It's a big deal."

Brett Solimine, a senior finance major at Siena who also picks stocks for the student-led Bjorklund endowment fund, says making stock picks for the long term is extremely difficult right now because of the constant ups and downs of the market influenced by global events such as social unrest in Greece.

"It's been very volatile," Solimine said. "It's very unpredictable."

Steve Gonick, head of marketing for Adirondack Small Cap Fund, has also lined up its network of investment advisers to act as mentors for the students to help them get jobs after graduation. One of them is [Tim Graney](#), a Siena grad with Graney & King in Latham.

"We're hoping to get them real-world experience," said Graney. "I've been in the business for 20 years."

The winners will be announced after the market closes April 6, with the winning team treated to a special luncheon with the Adirondack fund team followed by a reception with all the participants.