FROM THE DESIGNATED MANAGERS

In 2015, the Cayuga Fund returned 0.94 percent versus 5.46 percent for the HFRX Equity Market Neutral Index and -2.33 percent for the HFRX Equity Hedge Index. The overall market, as measured by the S&P 500, delivered a total return of 1.4 percent. Small-cap stocks, as measured by the Russell 2000, did not fare as well, returning -4.4 percent in 2015. Fund performance is reviewed later in this report.

Update on Fund Transition

In 2014, we began our roles as designated managers for the Cayuga MBA Fund, and the year 2015 marked an important transitional year for the fund. One of our primary goals last year was to simplify and streamline the fund’s operations, while maintaining the commitment to the unique educational opportunity afforded to students by participating in the management of a real fund. To that end, in 2016 the fund was transitioned from managing money for multiple investors to managing money solely for the Cornell University endowment. The fund was launched through a gift from the graduating class of 1998, held by Cornell’s endowment, and this gift along with the commitment of additional capital by the endowment represents the current assets under management for the Cayuga Fund. The portfolio strategy changed from a long/short market-neutral strategy to a small-cap, long-bias equity strategy. The educational experience for students remains the same — the exciting opportunity to manage real money as a formal part of the curriculum under the leadership and guidance of talented faculty and alumni mentors.

While the fund is managed primarily by second-year MBA students, one of the fund’s key goals has been to offer an opportunity for first-year MBA students to get involved in portfolio management, which they have done since 2008 by serving as first-year sector analysts for the fund. In 2015, we introduced formal course credit for this program. A competitive process is used to select students into this program, and in 2015 twelve students out of a total of 24 applicants were selected. These first-year research analysts pursue fundamental research training and participate as members of the fund’s sector teams. They will facilitate fund management continuity as the second-year graduate students graduate in May and will be well prepared to act as leaders of the new class of second-year student portfolio managers.

Classroom Activity

As in prior years, the Cayuga Fund student portfolio managers lost little time in assuming responsibility for the fund. Last fall, students were organized into seven sector teams and conducted reviews of how the quant model ranked stocks within their sectors. They applied their new understanding of the model and their sectors to customize the ranking process and recommend positions for the fund in September. By mid-semester, they completed rigorous fundamental research on industries in their sectors and prepared comprehensive industry reviews and focused stock reports. Fundamental security recommendations subsequently complemented their quant picks in the Cayuga Fund portfolio. Sector teams met on a regular basis, and students participated on a regular investment call to discuss the markets, review the fund’s holdings, and make recommendations for updates.

As discussed in last year’s annual report, students also work together in portfolio teams to study portfolio construction, risk, and performance. Led by the investor relations team and supported by a team that updated investment objectives, portfolio teams prepared a fund pitch book that was presented by a small group of students to officers managing the Cornell endowment for their consideration in committing additional capital to the fund. This effort was rewarded with an increased commitment from the university.

The Parker Center was visited by ten guest speakers in the fall and spring semesters. Students heard from equity and credit analysts as well as portfolio managers specializing in small-cap stocks, international equities, and quant strategies. David Einhorn, founder and president of the $8 billion Greenlight Capital hedge fund, made a special visit to the Parker Center’s “fishbowl” classroom and was treated to a stock pitch by one of the Cayuga Fund’s portfolio managers. These experiences ensure that students learn from the brightest minds in the industry as they prepare for their own careers as investment professionals in the field.

Looking Forward

We are looking forward to working with next year’s class of Cayuga Fund portfolio managers. As mentioned earlier, twelve first-year analysts conducted research for the Cayuga Fund in the spring, and many of them will return in the fall. The application process for all future portfolio managers in the 2015-16 academic year began in late March. We have enjoyed the learning process over the last two and half years, believe the fund is well positioned for the future, and have ideas for further enhancements. We are excited about next year!

As a final note, we would be remiss if we did not express our appreciation for the many years of support provided by the loyal investors in the Cayuga Fund and the generous donors to the Parker Center and for their continued support of our educational mission. Johnson’s unique program in live, long-short money management could not exist without it.

Thank you.

Sincerely,

Scott M. Stewart, PhD ‘85
Designated Manager

Christopher Meredith, MBA ‘05
Designated Manager

2015 PERFORMANCE STATISTICS

<table>
<thead>
<tr>
<th>RETURN</th>
<th>Cayuga Fund</th>
<th>T-BILL</th>
<th>HFRXEMN</th>
<th>HFRXEH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return for Calendar Year (Jan 2015 to Dec 2015)</td>
<td>0.94%</td>
<td>0.03%</td>
<td>5.46%</td>
<td>-2.33%</td>
</tr>
<tr>
<td>Funds Under Management as of December 31, 2015</td>
<td>3,502,498</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: HFRXEMN and HFRXEH refer to the Hedge Fund Research Equity Market Neutral and the Hedge Fund Research Equity Hedge indices that are published by Hedge Fund Research, Inc.
short name was Horsehead Holding Corp. (ZINCQ), which had a 10.1 percent total return, while the S&P consumer staples index had a 7 percent total return. Both outperformed the S&P 500, which achieved a 1.4 percent return in 2015. Overall, the consumer sector contributed 160 basis points to the fund’s 2015 return. The U.S. economy remains firmly mid-cycle, having grown 2.4 percent in 2015, roughly the same rate as 2014. The U.S. unemployment rate fell from 5.6 percent in 2014 to 5.0 percent in 2015, and wage growth accelerated. Despite the improving labor market, consumers’ jitters over the resilience of the U.S. economy led to an increase in the savings rate, moderating consumption. However, as the economy moves late into the business cycle, we think consumer staples will outperform.

Brent prices peaked at the end of May at around $61 per barrel WTI ($65 for Brent), prices continued their 18-month decline to the end of the year at $37.13 ($36.61 for Brent). Global stockpiles of crude ended the year at record highs, and storage space has become a concern, which could put further pressure on prices. During 2015, the price gap between Brent and WTI crude, which has been wide in recent years, tightened at year end when the U.S. crude oil export ban was lifted.

The decline in prices pressured exploration and production, which was the worst performing energy subsector in 2015. Companies cut billions of dollars in planned capital expenditures, and many projects were delayed or abandoned as the price per barrel dropped below producers’ drilling costs. During this time, rig counts in the U.S. dropped by 61 percent during 2015, from 1,811 to 498, and global rig counts dropped by 45 percent, from 3,570 to 1,969 (as provided by Baker Hughes). The oilfield services subsector was hit hard, as many companies dropped their service pricing as contracts were renewed in a low-price environment. The best performing energy subsector in 2015 was the refining and marketing sector, which enjoyed wide “crack spreads” (the price spread between crude oil and refined products) and stayed for much of the year in the low $20s per barrel.

We believe the real estate sector has moved into a mature part of the cycle. The demand for housing, the speed of construction, and the affordability of assets is determined by borrowing costs, which is driven by the market sector risk premium and the base U.S. Treasury rate. When residential overbuilding and increased competition from the sustained and growing popularity of peer-to-peer housing sites, which could particularly impact mid- to low-tier hotels.

Natural gas prices also fell during 2015, beginning the year at $3.00 (Henry Hub, per MMBTU) and falling by the end of the year to $0.28. In addition to an oversupply of natural gas, demand declined year-on-year weaker than expected due to mild winter weather during peak heating season. Coal also suffered price declines throughout the year, falling about 18 percent due to weaker demand as more utility companies are switching to other power sources, notably natural gas. Commodity prices in general declined throughout 2015, as measured by the Goldman Sachs Commodity Index, which fell about 26 percent on lower demand due to the ongoing global slowdown. China’s slowing economic growth, in particular, weighed heavily on steel, coal, copper, and aluminum prices.

Looking ahead to 2016, our expectation is that oil and gas prices will remain in a “lower for longer” environment due to the structural shift that has taken place in the industry from technological advances (i.e., the “shale boom”). As such, success in the short term will be defined by companies with the best liquidity and the least amount of leverage. We expect these companies to survive and find many opportunities to buy up assets at distressed prices and emerge poised for growth. We expect the materials sector to continue in a similar manner, in which the best capitalized companies will have a significant advantage over lower rated companies and global rig counts dropped by 45 percent, from 3,570 to 1,969 (as provided by Baker Hughes). The oilfield services subsector was hit hard, as many companies dropped their service pricing as contracts were renewed in a low-price environment. The best performing energy subsector in 2015 was the refining and marketing sector, which enjoyed wide “crack spreads” (the price spread between crude oil and refined products) and stayed for much of the year in the low $20s per barrel.

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We anticipate that access to construction loans, which are clas-
sified as high volatility, may become limited due to the imple-
mentation of the Basel III rules that increase requirements for
risk-based capital reserves. In 2015, we saw major retailers and
hotel chains with significant real estate assets such as Macy’s
(M), Sears (SHLD), and Hilton (HLT), strongly consider creating
REITs to boost shareholder value. We will continue to monitor
these trends in 2016 to capture opportunities to add value to the
Cayuga Fund.

HEALTH CARE
Sriker Nadipuram

The health-care sector includes companies that manufacture
medicines, provide health-care services to patients, and perform
research to create new therapies. The year 2015 proved a volatile
trend for this sector, which contributed 58 basis points to the fund’s
return. The long picks added 93 basis points while the shorts de-
tracted 17 basis points. We also had a short position in the Health
Care Select Sector SPDR ETF, which contributed 9 basis points to
the fund’s return (as well as reducing the fund’s net exposure to
the sector).

Positive tailwinds for the sector for 2015 included both the con-
cluded implementation of the Affordable Care Act (ACA) and a record
number of drug approvals by the FDA. More than ten million
Americans have purchased insurance through ACA-mandated
exchanges. Furthermore, the expansion of states’ Medicaid plans
have enrolled over 12 million more Americans since the ACA was
adopted. In 2015, U.S. health-care costs continue to track with
inflation (in contrast to the accelerating costs experienced before
2010). These trends have benefited specific verticals within our
sector. Health-care providers are now compensated based more
on the services they provide. Our investments in pharmaceutical
and biotechnology companies benefited from the streamlined
approval process of the FDA and the growing demand for drugs
supported by the newly insured. The quickened pace of the FDA
approvals also benefited contract research organizations as many
big pharma players continued to trim their in-house R&D staff and
outsource these operations.

Several headwinds to the sector intensified during the fourth
quarter of last year. Political pressure to lower drug prices shook
investor confidence and impaired multiples throughout the sec-
tor (particularly for development-stage biotechnology firms).
High-profile court cases and congressional hearings on drug
pricing have given the industry unwanted exposure. Large health
insurance companies also expressed concern that the Affordable
Care Act would reduce future earnings (as regulations increas-
ingly limited insurers’ discretion to deny coverage to insureds
with preexisting conditions). These trends will continue to benefit
patient long/short investors with an eye for value.

INDUSTRIALS
Tom Routhier

The Cayuga Fund was net long the industrials sector in 2015,
which contributed 4 basis points of return to the portfolio. The
industrials’ short portfolio generated 22 basis points of return,
while the long portfolio detracted 18 basis points from perfor-
mance. The S&P 500 industrials sector generated a -2.5 percent
total return for the year.

Industries comprising the industrials sector are broad-based and
are affected by a variety of end-market constituents. The decline
in oil prices from more than $100 per barrel in the third quarter
of 2014 to $50 per barrel by year’s end and then falling to $30 by
the end of 2015 resulted in mixed performance of holdings within
the portfolio. Airlines were the clear beneficiaries, with Alaska
Air Group (ALK), SkyWest (SKYW), and JetBlue Airways (JBLU)
ranking as three of our top six long contributors.

Weaker oil prices did not translate to higher valuations in the
transportation and logistics industry, as cheaper input prices
were offset by investor concerns regarding slowing consumer
purchasing activity heading into the 2015 holiday season. This
was a drag on performance for long names such as Swift Trans-
portation (SWFT) and PAM Transportation Services (PTSI), both
of which had share prices fall on contract pricing pressure and
lighter volume. However, new truck orders are at multiyear lows
and capacity is gradually coming out of the industry. These fac-
tors, coupled with low energy prices, cause us to remain bullish
on the near- to midterm prospects for transportation companies.

For 2016, our team believes there are several attractive areas
within our end markets as valuations have fallen in a number of
industries despite strong fundamentals. In particular, U.S. resi-
dential and commercial construction activity was steady in 2015
and early readings for 2016 show continued stability. For compa-
ies supporting construction, including industries such as building
materials, and in services-focused industries such as engineering,
we expect to see valuations improve during the year. We also expect
airline companies to continue reaping the benefits of low input
pricing and competitive discipline in capacity expansion. Companies
with end markets highly exposed to commodities, including indus-
trial machinery, will likely struggle to rebound in 2016, which
renders us cautious on these investments.

TECHNOLOGY
John Powers

In 2015, the Russell 2000 Technology index returned 1.10 percent,
higher than the S&P’s return of -0.69 percent. In 2015, the tech
sector detracted 52 basis points from the fund’s performance.
There were, however, a few bright spots on both the long and short
sides. CSG Systems International (CSGS) and Sykes Enterprises
(SYKE) added 37 and 19 basis points, respectively, and our short
call on Twitter (TWTR) added 18 basis points.

Current holdings cover growing areas in technology, including
outsourced staffing and billing solutions, defense tech, software-
as-a-service (SaaS), digital and social media, as well as mature
areas that are in a consolidation phase, such as hardware and
semiconductors.

While financial troubles in China and a looming interest rate hike
dominated headlines for most of 2015, M&A activity capped off a
record year, and the semiconductor industry saw deal volume
totaling nearly $100 billion — more than double last year’s $46
billion deal volume. As investment in R&D has become exponen-
tially more expensive, per Moore’s Law, large players in the industry
instead sought M&A as a cheaper alternative to realize revenue
growth and appease large outspoken shareholders. As a result,
despite diligent fundamental research, several of our short stock
picks in this sector experienced a significant lift due to speculation
of continued industry consolidation.

The fund expects to be less bullish in the technology sector going
to 2016. Performance in the micro- to mid-cap space continues
to largely depend on stock selection. Key risks for the sector include
extended valuations, sustainability of revenue growth, margin com-
pression, shifts in sentiment, and the potential for other macroeco-
nomic or geopolitical shocks to disrupt the broader equity markets.

UTILITIES
Augustine Reitsema

In 2015, the fund was net long utilities, which detracted 6 basis
points from the fund’s return. Our outlook for the utilities sec-
tor in 2016 is mixed. Utilities continue to take advantage of low
financing rates to grow capital expenditures, enabling the filing
of new rates cases with regulators to grow profits. The Supreme
Court’s ruling in Federal Energy Regulatory Commission v. Elec-
tric Power Supply Association et al. should enable power genera-
tors to lower overall operating costs through demand response
bid programs, while new operating lease reporting requirements
will provide investors with more visibility into the structure of
regulated entities. With that said, some utilities stocks still trade
at fairytale prices, despite fundamental degradation of their busi-
ness model and/or unambiguous regulatory barriers to opera-
tions. These utilities are concentrated in alternative energy power
generation and water production in drought-stricken areas and
are attractive as opportunistic shorts when we think the music is
about to stop. Given that utilities are often viewed as a yield ve-
hicle, the outlook for the sector is in part tied to rates, which
may boost or detract from idiosyncratic performance going forward.
FUNCTIONAL TEAM REPORTS

Students receive practical experience in the business of managing assets through the functional teams in which they participate.
INVESTOR RELATIONS
Kristin Kunert
During the fall of 2015, Cayuga Fund students had the unique opportunity to pitch the fund to the Cornell University endowment for its consideration in committing additional capital to the fund. As part of the transition from a long/short fund to a long-only fund, our students were tasked with fundraising in addition to equity research and trading. The investor relations (IR) team spearheaded this endeavor and was assisted by representatives from the health-care and industrials sectors, who presented case studies. The IR team continued to produce quarterly reports to update investors on fund performance, which now includes a global macro update. To improve and maintain the quality of our reporting, the IR team has implemented a process document policy, which it believes will facilitate reporting through class transitions. In April of 2016, the IR team will engage with admitted class of 2018 students at Destination Johnson to discuss the Cayuga Fund opportunity with them and generate incoming student involvement.

PORTFOLIO CONSTRUCTION
Azzeem Shirur
The portfolio team analyzed all trades within the portfolio and compared each item with the underlying alpha process. Our alpha process is comprised of screening and selecting stocks both on a quantitative ranking algorithm and fundamental stock-picking strategies. We analyzed various parameters such as active risk, beta, and volatility using tools like MSCI Barra and FactSet. For portfolio construction, we evaluated individual position exposure, sector exposure, risk factors, and liquidity. We worked closely with the quantitative team to enhance the portfolio optimization process, and as a result we were able to better understand the algorithm. On the basis of our analysis, we concluded that the active bets contained in our portfolio were consistent with our alpha process. The expected alpha is determined from the reversion framework (quantitative models) and fundamentals and is in line with the fund’s objectives. Next year, we recommend that the incoming team continue to focus on identifying areas for potential improvements.

QUANTITATIVE
Kunal Garg
The Cayuga Fund quantitative model uses a combination of signals to rank stocks based on expected future performance. Students conduct a detailed fundamental and qualitative review of the quant model’s picks before advocating for each stock’s inclusion into the fund’s portfolio.

This year, the primary focus of the quant team was to adapt the quantitative model to each economic sector. The quant team has also implemented quality controls by obtaining licenses and statistical software upgrades in a central workspace, thereby protecting data integrity and fostering a smoother transition for future Cayuga quant team members. As part of the academic year, the quant team will continue to research and adjust the quantitative model to the financial and energy economic sectors. Using an up-to-date financial dataset from CRSP, Compustat, and IBES, we will research and test customizations of the model for sector-specific factors for value or quality. Other focus areas will be determining if serial correlation in stock prices leads to future fire sales; looking for lead-lag effects on a short-term basis (1 to 4 weeks) with cross-correlation in stocks; improving the IBES analyst estimates signal by working with the detailed estimates database; initiating research with the TRACE bond dataset to see if corporate bond valuations can help improve items; and looking at LionShares ownership data to see if breadth or concentration of ownership is a positive or negative attribute for a stock.

TRADING
Andres Bacher
The trading team is responsible for executing all orders given by the portfolio managers. To ensure a beta-neutral strategy, the team rebalances as necessary. We also identify and quantify transactional costs, opportunity costs, and borrowing costs of the fund. The goal of the trading team is to provide the fund and the portfolio managers with the best execution possible for the strategy set forth by the construction team to efficiently reduce costs and mitigate the impact of trading on the fund. We use a two-step process to ensure optimal liquidity of the portfolio. First, we employ quant screening and fundamental processes, which include collecting and presenting data on 30-day dollar volume. Next, we collect borrowing costs for shorting. This information is used during the portfolio construction phase so new positions will be liquid.
FUNDAMENTAL STOCK ANALYSIS

Throughout the academic year, students are developing their investment theses about stocks available for investment. Their analysis is a combination of industry overviews, competitive analysis of a company’s strategy and edge, financial statement analysis, valuation, and other methods to try and determine if a company is suitable for investment. Below, we highlight some of their stock picks for the fund.

SWIFT TRANSPORTATION (SWFT)
Tom Routhier
I initiated coverage of Swift Transportation (SWFT) with a BUY recommendation in October 2015 when the stock was trading at $16, with a 12- to 18-month price target of $22. This target was reached by applying the company’s then-current 11.5x P/E multiple to my forward earnings estimate of $1.90 in 2016. SWFT is one of the largest truckload carriers in North America, and my belief has been that investors have overreacted to softer freight volumes and a lighter pricing environment, creating a buying opportunity. SWFT has since cut its fleet expansion efforts, which tends to be a leading indicator of capacity normalization. My thesis is unchanged for 2016, and I continue to expect a year-end price target of $22.

In September, Swift announced a $100 million share repurchase authorization that would be executed over the following several months. This repurchase authorization represents approximately 5 percent of shares outstanding if executed at then-current prices. Swift has likewise been actively paying down its debt since 2010, a time when its leverage ratio was nearing 4.0x. The investor community has punished the company for maintaining higher debt levels relative to peers (several are debt free), which is an incredible reaction to a company that has substantially improved its capital position over the last five years and has restructured its debt well into the future. My expectation is that with limited fleet expansion, possible consolidation, and a better pricing environment as market capacity normalizes, we will see even stronger fundamentals from SWFT. As of March 2016, the company’s stock price is $17.

IDT CORPORATION (IDT)
Yixi Yang
As of March 2016, IDT Corporation (IDT) was the highest long-ranking telecom stock in our quantitative screen. IDT recently filed to spin off their highly lucrative subsidiary, Zedge, one of the most popular content distribution platforms worldwide, centering on personalization of mobile devices such as wallpapers and backgrounds. It is among the top 25 free applications in Google Play and has been downloaded more than 190 million times. In the second quarter of 2016, Zedge continued to see growth in user engagement, and its revenue increased 44 percent year over year from $2.4 million to $3.5 million and 35 percent since the last quarter, which had revenue of $2.6 million. Furthermore, its adjusted EBITDA doubled since the first quarter of 2016. We also believe Zedge employs a scalable business model that increases revenue at a faster rate than accompanying costs. In the spin-off, current IDT stockholders will own 83 percent of Zedge stock at a 3 to 1 ratio (three IDT stock for one Zedge stock).

Beyond Zedge, IDT has seen an overall year-over-year increase in consolidated EBITDA despite lower revenue, which was mainly caused by pricing competition in the Mexican market after the Mexican government deregulated the country’s telecom sector. However, the effects of this pressure are fully priced into the stock. More importantly, IDT has seen 5 percent growth in the U.S. market in the second quarter of 2016, and its signature app platform brand, Boss Revolution, remains strong. A new Boss Revolution retail platform will soon be rolled out, which will allow sales of international payment services and money transfers and new features such as messaging and P2P calling. This is a sensible addition to IDT’s current calling and international airtime transfer service, and it shows that IDT is expanding into the international money transfer/payment market, which is lucrative and young. Since taking a position in IDT in late-March, the stock is up over 19 percent.

YELP, INC. (YELP)
Kristin Kunert
Established in October 2004, Yelp is a widely used online platform that allows users to write reviews for consumer services. Yelp generates most of its profits through advertising, where businesses can pay to increase visibility to potential customers. Yelp’s short position in the Cayuga Fund detracted 11 basis points and had a total return of 34.71 percent.

Management issues, missed earnings, high operational costs, and a competitive landscape with low barriers to entry made 2015 a tough year for Yelp. Growth, while once promising, hinges on innovation and adoption of new services, some of which have arrived too late to the playing field. As more and more consumers turn to alternatives, such as Foursquare, Google Reviews, and more recently Facebook, Yelp may struggle to maintain its strong hold on the review market. After taking into consideration Yelp’s slow growth, uncertain new ventures, and its inability to rein in operating costs, I arrived at a target price of $15.74. Yelp hovered above the $20 mark for 2015, but an early 2016 tech stock crash drove share prices down to around $16; however, the name soon recovered, and Yelp’s prices hover at the $20 price range — an approximate 20 percent dip from the time I initiated coverage. We subsequently traded this name in early 2016 when we changed the fund’s strategy to long only.

AMERCO (UHAL)
Wale Adebayo
The strongest performer within the financials sector in 2015 was AMERCO (UHAL), which contributed 39 basis points to our 2015 return. Prior to the start of this academic year, the quant model was leveraged to identify AMERCO as a strong pick for the financials sector. Subsequently, a long position was initiated for 81 basis points of portfolio exposure. Based on our fundamental
analysis of the stock in October, we chose to not only maintain our long position but also add an additional 20 basis points of exposure. Our analysis revealed that the stock was attractive from a valuation standpoint and presented a opportunistic upside. This upside was driven by the continuation of a convergence of factors that had recently acted as tailwinds for AMERCO, namely for its largest subsidiary, U-Haul. When we revisited the stock, it was reasonably priced at a P/E of 15.2x, a significant discount to the S&P 500’s 22.3x P/E multiple, and had a five-year PE0 of 1.1x.

U-Haul’s trucks and trailers are ubiquitous on the roads of North America, and the brand has become synonymous with do-it-yourself (DIY) moving, not to mention a growing self-storage business. To put this into perspective, since 2010 UHAL’s revenues have grown at a CAGR of 7.4 percent, whereas its self-storage revenues have grown at a CAGR of 11.5 percent over the same period. While self-storage represents only a small percentage of total revenue, this percentage is steadily increasing, going from 5.5 percent of total revenues in 2010 to 6.9 percent of total revenues in 2015. Interestingly, AMERCO generates approximately 30 percent of its cash flow from its self-storage business (one can only imagine if this was converted into a REIT).

On a five-year trailing basis, the DIY moving industry has experienced strong growth, as AMERCO outperformed its peers by generating substantial shareholder returns. This stellar growth was driven in large part by factors such as the housing market rebound, lower fuel costs, and a low interest rate environment, enabling us to maintain conviction in this stock and in the industry as a whole. We believe AMERICO has more upside as it continues to take market share in the DIY industry, as well as build its higher-margin, faster-growing self-storage business.

TRANSMontaigNE PaRTNERS (TLP)
Anna Kolobkova
Transmontaigne Partners (TLP) was pitched as a BUY in November 2015, though the fund ultimately did not invest in this name. Structured as a master limited partnership (MLP), Transmontaigne owns and operates refined petroleum terminaling, storage, and transportation facilities.

My initial recommendation was based on TLP’s financials and fundamentals. TLP was trading at a discount to its peers (115x versus 18.6x EV/EBITDA), while having lower leverage than peers (4x versus 5.7x net debt/EBITDA) and offering higher dividend yield than the Alerian ETF that tracks MLPs (9 percent versus 7.7 percent).

In addition to favorable financials, TLP has assets in strategic locations: 1) along two major refined petroleum pipelines, carrying gasoline from Gulf Coast refineries to the East Coast; 2) at the locations: 1) along two major refined petroleum pipelines, carry

ing gasoline from Gulf Coast refineries to the East Coast; 2) at the

genesis

ong at record capacity and high demand from end users. Since the pitch date when the stock was trading at just under $30, TLP has traded up to about $36 as of April 5, 2016. The increase in the stock price is primarily attributable to the sale of TLP by its former general partner NGL Energy Partners to private equity firm ArcLight Capital Partners for $350 million in cash. As NGL was having liquidity problems earlier this year, I changed my recommendation from BUY to SELL because oil and gas prices have continued to decline since last fall, and given growing supply and only a marginal reduction in production in the U.S., this unfavorable situation is likely to persist in the near future. Since TLP’s expansionary abilities depend on borrowed funds, I expect the company to have difficulties raising capital and, therefore, offering a relatively high dividend yield of 9 percent is not sustainable going forward.

VASCULAR SoLUTioNS (VASC)
Neil O’Donnell
Founded in 1997, Vascular Solutions discovers and commercializes therapeutic devices. Headquartered in Minneapolis, Minn., Vascular Solutions sells directly to hospitals and medical clinics within the United States. Internationally, the company relies on a network of 41 distributors to deliver products in 57 different countries. The company’s largest segment in revenue and profit is cardiovascular catheters. The company currently has treatments commercially available for interventional cardiology, interventional radiology, electrophysiology, and phlebology.

We think Inventure’s highly levered balance sheet limits the amount of investment the company can make in future brand building and acquisitive growth. The company’s debt-to-equity ratio was 50.5x in 2015, reducing gross margin in the snacks segment by 433 basis points to 15.3 percent.

INVENTURE FOODS, Inc. (SNAK)
Eliza Buddenhagen
During 2015, our short position in Inventure Foods (SNAK) generated 28 percent of return for the fund, as shares lost 25.27 percent. Inventure is a manufacturer and marketer of healthy/natural and indulgent specialty snack foods operating primarily in the United States. We recommended the name as a SELL because of a number of factors. First, SNAK recasted certain varieties of its Fresh Frozen-branded frozen vegetables and Jamba At Home-branded smoothie kits in April 2015 after its Jefferson, Ga., manufacturing facility test positive for Listeria monocytogenes. We thought the impact on shipment volumes throughout the year would be significant; in fact, SNAK’s 2015 frozen products segment revenue declined 6.9 percent over 2014, and the company’s overall revenue declined 1.1 percent between 2015 and 2014. Our view was that rebuilding the Frozen Foods brand image would be an ongoing challenge for Inventure; management agreed, stating in the third quarter earnings call that shipment volumes would likely not return to pre-recall levels until 2016.

In addition, Inventure faced margin pressure in 2015 from several sources. The recall led Inventure to sell a 1.7 percent gross margin in 2015 in the company’s frozen segment, down from 18.0 percent in 2014. Also in the frozen segment, another bad crop year in 2015 resulted in higher input prices for the company’s frozen berries products. Higher operating costs from investments in food safety and cold storage weighed down operating margin too. In the snacks segment, a fire in April 2014 reduced available capacity at SNAK’s Goodyear, Ariz., facility, leading to the decision to sell its Frozen Foods brand image would be an ongoing challenge for Inventure; management agreed, stating in the third quarter earnings call that shipment volumes would likely not return to pre-recall levels until 2016.

Finally, the stock experienced a sell-off in November after SNAK missed Q3 earnings by $0.06 and failed to recover before the fund closed the position at the end of 2015, which contributed to our gain on the position.
Eliza spent the past summer at the Colegate- Universidad de los Andes, and will be returning there upon graduation.

Samer Darwiche
BA, Finance, American University of Beirut
Prior to Johnson, Samer worked for two years as an investment analyst at Adhib Investment, an asset management firm based in Abu Dhabi, focusing on Middle East and MENA markets (mainly Saudi, UAE, and Qatar). Before Adhib, Samer was a member of the front office at Goldman Sachs as the startup MENA asset management company based in Dubai. During his four-year tenure at Goldman, Samer acquired extensive exposure to the different functions of the asset management business, including analysis, sales, trading, and operations. He received a bachelor’s degree in Business Administration (Finance) with Distinction from the American University of Beirut ‘08. He is also a CFA and CAIA charterholder.

Siddarth Dhodi
BS, Biochemical Engineering, HBITI Kanpur; MA, Management, Finance, Strategy, Technology, Indian Institute of Technology, Madras
Siddarth is a one-year accelerated MBA student at Johnson. Prior to Johnson, Sidd worked as an AIIP at Nis Bank, India’s fourth largest private sector bank. In his role, he provided coverage across the life sciences and technology sectors. With Yes Bank, he also authored many published knowledge reports on the Indian life sciences industry, including a well-acknowledged “Strategy Paper: Boosting Medical Device Exports” for the Ministry of Commerce, Government of India. Prior to Nis Bank, Sidd worked in an internal strategy role at a Tata Group pharmaceutical company—Advaxis Therapeutics. Sidd also worked in a strategy and operations role with a medical device startup and was instrumental in raising research capital (grants and soft loans) from the government of India. Sidd completed his BS is a biochemical engineer by training from HBITI Kanpur and earned a management degree from the esteemed Indian Institute of Technology (IIT), Madras, and is a CFA charterholder and certified Financial Risk Manager (FRM).

Kunal Garg
BS, Electrical Engineering, Indian Institute of Technology, Madras
Prior to Johnson, Kunal was working as an associate with Tensile Capital Management, a San Francisco-based long-only public/private equity fund, where he focused on investment opportunities in several industries such as technology, biotech, and business services, and led the firm’s efforts in screening. Prior to joining Tensile, Kunal was an investment banking analyst at a leading investment bank, where he focused on public/private investment opportunity pursuits. Prior to joining Blum Capital, he was an associate at a real estate investment management, where he conducted financial analysis and due diligence on public investments. Prior to Shaffield, Kunal was a financial analyst at Global Analytics, India, where he was responsible for the risk management of a portfolio of public real estate products and led a team to help launch a new payday lending company in the U.K.

Kunal was previously a member of the advisory board of a startup company, which earned a BS, in Electrical Engineering from the Indian Institute of Technology (IIT), Madras, and is a CFA charterholder and certified Financial Risk Manager (FRM).

Lee Anne Hagel
BA, Finance, Bentley University
Lee Anne Hagel is a second-year MBA candidate at Johnson. She currently serves as a portfolio manager for the Cayuga Fund and previously served as a sector analyst for a first-year MBA student at Johnson. Lee Anne initiated his career on Wall Street at ICAP, a London-based financial services firm, in the analyst program where he served on the institutional equities and equity derivatives sales and trading desks. He then continued his career at his first serving as an assistant vice president on the listed equity derivatives trading desk. Most recently, before joining Cayuga, Lee Anne served as an Account Manager at a large financial services firm, in the asset manager business.

Evan Papadopoulos
BA, Economics, Trinity College
Evan Papadopoulos is a second-year MBA student at Johnson. Prior to attending Johnson, Evan Papadopoulos worked as a structure products trading analyst at a London based financial company — Advinus Therapeutics. Evan Papadopoulos earned his master’s focused on financial medicine and upon graduation he hopes to join an investment management firm.

John Joseph Powers Jr.
BS, Business Economics, Cornell University
John is the sector head covering technology for the Cayuga Fund. Prior to joining Johnson, John spent four years in private equity at RBC Capital Markets as an associate in institutional equity sales. Most recently, he worked at Goldman Sachs as a summer
Fifteen years spent working in private wealth management and is involved in the Investment Management Industry, the High-Yield & Structured Finance Department, and the Del E. Webb Family Club. Azem spent the summer of 2015 in Milwaukee as a credit research intern for the public investments division of Northwestern Mutual. During that time, he worked for the investment-grade research team and interviewed on high-yield bond new issues. Azem plans to pursue a career in research credit and portfolio management after completing his MBA at Johnson. He graduated from the University of Minnesota with a BA in English and is a CFA charterholder.

John Routhier
Cornell University

Prior to attending Johnson, Tom spent four years as an investment analyst at NEPC, a pension consulting firm. There, he specialized in defined-contribution plan analysis and provided recommendations for traditional and alternative asset allocation for several multimillion-dollar corporate clients. Tom held the position of equity research summer associate intern at Morgan Stanley and worked as a generalist at the Cagyu Fund. Prior to attending Johnson, Tom spent five years working in private wealth management in Minneapolis, most recently as a Morgan Stanley. At Johnson, Nathan is a double bachelor’s degree in Economics and Political Science in Computer Science with a minor in Finance. This past summer, Yixi interned at Standard Chartered Bank as an intern, covering a portfolio of foreign and domestic banks. At Johnson, Felicia is in the Capital Markets and Asset Management Immersion and is involved in the Investment Management Industry, the High-Yield & Structured Finance Department, and the Del E. Webb Family Club. The company is in the process of laying off its first round of funding, and Augustine will be working to scale the company up.

Jake Wright
BS, Computer Science (Expected)

Jake is currently a senior in the College of Engineering, pursuing a Bachelor of Science in Computer Science with a minor in Business. On campus, he is involved with the Phi Gamma Nu Professional Fraternity, the Big Red Consulting Group, and is a research associate for the Cagyu Fund. Previously, Jake worked in the financial and tech industries. He worked as a research analyst at P.A.W. Capital Partners and as an app developer at Workday. He will return to Pleasanton, Calif., to resume his job as a developer at Workday.
INDEPENDENT AUDITORS’ REPORT

Board of Directors
Cayuga MBA Fund, L.L.C.
Ithaca, New York

Report on the Financial Statements
We have audited the accompanying financial statements of Cayuga MBA Fund, L.L.C. (the Company), which comprise the statements of assets and liabilities, and the condensed schedule of investments as of December 31, 2015 and 2014, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America.

Auditor’s Responsibility
We are responsible for expressing an opinion on these financial statements based on our audits.

We have audited the accompanying financial statements of Cayuga MBA Fund, L.L.C. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements
The financial statements as of December 31, 2014, were audited by Ciaschi, Dietershagen, Little, Mickelson & Company, LLP, who merged with Insero & Co. CPAs, LLP as of January 1, 2016, and whose report dated March 28, 2015, expressed an unmodified opinion on the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.

Management has responsibility to maintain effective internal control over financial reporting. Our responsibility is to express opinions on the financial statements under the heading of “Auditors’ Responsibility” and on the effectiveness of the company’s internal control over financial reporting under the heading of “Auditors’ Responsibility for the Internal Control of the Company.” We express those opinions in our report on the financial statements and the report of the registered public accounting firm that accompanied our previous report.

We believe that the audit evidence we have obtained is sufficient and appropriate to express our opinion. In our opinion, the 2015 financial statements referred to above present fairly, in all material respects, the financial position of Cayuga MBA Fund, L.L.C. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Respectfully Submitted,

Insero & Co. CPA, LLP
Certified Public Accountants
Ithaca, New York
April 7, 2016

STATEMENTS OF ASSETS AND LIABILITIES
December 31, 2015 and 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in Securities, at Fair Value</td>
<td>$248,040</td>
<td>$3,496,438</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>3,301,434</td>
<td>4,352,571</td>
</tr>
<tr>
<td>Accrued Dividends</td>
<td>1,455</td>
<td>2,177</td>
</tr>
<tr>
<td>Receivables for Securities Sold</td>
<td>2,015,899</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$5,566,828</td>
<td>$7,851,186</td>
</tr>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities Sold Short, at Fair Value</td>
<td>$71,840</td>
<td>$3,173,806</td>
</tr>
<tr>
<td>Payables for Securities Purchased</td>
<td>1,978,024</td>
<td>–</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>13,500</td>
<td>12,500</td>
</tr>
<tr>
<td>Dividends Payable</td>
<td>944</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>2,064,330</td>
<td>3,186,306</td>
</tr>
<tr>
<td>Net Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ Capital Investment</td>
<td>2,399,261</td>
<td>3,346,988</td>
</tr>
<tr>
<td>Net Realized Investment Gain</td>
<td>1,137,147</td>
<td>1,082,694</td>
</tr>
<tr>
<td>Net Unrealized (Depreciation) Appreciation</td>
<td>(33,910)</td>
<td>235,198</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>3,502,498</td>
<td>4,664,880</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$5,566,828</td>
<td>$7,851,186</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.

STATEMENTS OF OPERATIONS
For the Years Ending December 31, 2015 and 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>$47,285</td>
<td>$62,802</td>
</tr>
<tr>
<td>Master Limited Partnership Distributions</td>
<td>15,637</td>
<td>21,639</td>
</tr>
<tr>
<td>Net Realized Gain (Loss) on Investments</td>
<td>344,448</td>
<td>(99,694)</td>
</tr>
<tr>
<td>Net Unrealized (Loss) Gain on Investments</td>
<td>(269,108)</td>
<td>103,684</td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>2,702</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$138,042</td>
<td>92,133</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short Stock Expense</td>
<td>37,247</td>
<td>59,628</td>
</tr>
<tr>
<td>Short Dividends</td>
<td>29,052</td>
<td>31,124</td>
</tr>
<tr>
<td>Short Distributions</td>
<td>–</td>
<td>21,639</td>
</tr>
<tr>
<td>Fees, Taxes, Administrative, and other</td>
<td>37,437</td>
<td>65,831</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>103,756</td>
<td>158,130</td>
</tr>
<tr>
<td><strong>Net Operating Income (Loss)</strong></td>
<td>$34,286</td>
<td>$(65,997)</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
### STATEMENTS OF CHANGES IN NET ASSETS
For the Years Ending December 31, 2015 and 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (Decrease) in Net Assets from Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment (Loss)</td>
<td>(41,034)</td>
<td>(70,987)</td>
</tr>
<tr>
<td>Net Realized Gain (Loss) in Investments</td>
<td>344,448</td>
<td>98,694</td>
</tr>
<tr>
<td>Net Unrealized (Loss) Gain from Investments</td>
<td>(249,108)</td>
<td>103,604</td>
</tr>
<tr>
<td>Net Increase (Decrease) in Net Assets from Operations</td>
<td>34,306</td>
<td>(65,997)</td>
</tr>
</tbody>
</table>

| Distributions to Members        |          |          |
| Return of Capital               | (967,727) | 1,751,049 |
| Distribution of Earnings        | (248,961) | 1,402,971 |
| Net Distributions to Members    | (1,142,688) | (3,156,040) |
| Net Decrease                    | (1,142,682) | (3,220,037) |

| Net Assets, at January 1,        | 4,664,880 | 7,884,917 |
| Net Assets, at December 31,      | $ 3,502,498 | $ 4,664,880 |

See Notes to Financial Statements.

### STATEMENTS OF CASH FLOWS
For the Years Ending December 31, 2015 and 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flows from Operating Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Operating Income (Loss)</td>
<td>$ 34,306</td>
<td>$ (65,997)</td>
</tr>
<tr>
<td>Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Used by Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized Loss (Gain) on Sale of Investments</td>
<td>(344,448)</td>
<td>98,694</td>
</tr>
<tr>
<td>Unrealized Gain (Loss) on Investments</td>
<td>249,108</td>
<td>(103,604)</td>
</tr>
<tr>
<td>Increase (Decrease) in Accrued Dividends</td>
<td>722</td>
<td>492</td>
</tr>
<tr>
<td>Increase in Accounts Payable</td>
<td>1,000</td>
<td>1,818</td>
</tr>
<tr>
<td>Increase in Dividends Payable</td>
<td>966</td>
<td></td>
</tr>
<tr>
<td>Net Cash Used by Operating Activities</td>
<td>(38,346)</td>
<td>(68,677)</td>
</tr>
<tr>
<td>Cash Flows from Investing Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Investments</td>
<td>(1,196,688)</td>
<td>(3,156,040)</td>
</tr>
<tr>
<td>Proceeds from Sale of Investments</td>
<td>7,236,855</td>
<td>10,367,614</td>
</tr>
<tr>
<td>Net Cash Provided by Investing Activities</td>
<td>183,897</td>
<td>361,715</td>
</tr>
<tr>
<td>Cash Flows from Financing Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Withdrawals</td>
<td>(1,196,688)</td>
<td>(3,156,040)</td>
</tr>
<tr>
<td>Net Cash Used by Financing Activities</td>
<td>(1,196,688)</td>
<td>(3,156,040)</td>
</tr>
<tr>
<td>Net Decrease in Cash and Cash Equivalents</td>
<td>(1,001,137)</td>
<td>(2,861,022)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at January 1,</td>
<td>4,352,571</td>
<td>7,213,571</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at December 31,</td>
<td>$ 3,301,434</td>
<td>$ 4,352,571</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.

### CONDENSED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Percentage of Net Assets</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in Securities, at Fair Value</td>
<td>5.2%</td>
<td>$ 181,083</td>
</tr>
<tr>
<td>Master Limited Partnerships</td>
<td>United States:</td>
<td></td>
</tr>
<tr>
<td>Energy (Cost: $183,175)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited Liability Companies</td>
<td>United Kingdom:</td>
<td></td>
</tr>
<tr>
<td>Energy (Cost: $97,757)</td>
<td>1.9%</td>
<td>66,957</td>
</tr>
<tr>
<td>Total Investments in Securities, at Fair Value (Cost: $280,932)</td>
<td>7.1%</td>
<td>$ 248,040</td>
</tr>
</tbody>
</table>

| Securities Sold Short, at Fair Value | 2.1% | $ 71,840 |
| Master Limited Partnerships | United States: | |
| Energy | 2.1% | $ 71,840 |
| Total Securities Sold Short, at Fair Value (Proceeds: $70,822) | 2.1% | $ 71,840 |

See Notes to Financial Statements.
## Investments in Securities, at Fair Value

<table>
<thead>
<tr>
<th>Percentage of Net Assets</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common Stocks</strong></td>
<td></td>
</tr>
<tr>
<td>United States:</td>
<td></td>
</tr>
<tr>
<td>BioTech</td>
<td>2.5%</td>
</tr>
<tr>
<td>Computer Components</td>
<td>3.0%</td>
</tr>
<tr>
<td>Consumer Services</td>
<td>1.5%</td>
</tr>
<tr>
<td>Consumer and Distribution Services</td>
<td>1.8%</td>
</tr>
<tr>
<td>Consumer Durables</td>
<td>2.9%</td>
</tr>
<tr>
<td>Consumer Non-Durables</td>
<td>4.1%</td>
</tr>
<tr>
<td>Consumer Services</td>
<td>1.0%</td>
</tr>
<tr>
<td>Defense and IT Services</td>
<td>1.7%</td>
</tr>
<tr>
<td>Energy</td>
<td>3.5%</td>
</tr>
<tr>
<td>Energy Services</td>
<td>0.4%</td>
</tr>
<tr>
<td>Health Care</td>
<td>10.4%</td>
</tr>
<tr>
<td>Industrials</td>
<td>6.1%</td>
</tr>
<tr>
<td>Insurance</td>
<td>3.3%</td>
</tr>
<tr>
<td>Investment Banking</td>
<td>4.7%</td>
</tr>
<tr>
<td>Materials</td>
<td>3.5%</td>
</tr>
<tr>
<td>REIT</td>
<td>1.1%</td>
</tr>
<tr>
<td>Retail</td>
<td>1.7%</td>
</tr>
<tr>
<td>Semicconductors and Electronics</td>
<td>2.4%</td>
</tr>
<tr>
<td>Technology Software</td>
<td>0.9%</td>
</tr>
<tr>
<td>Telecom</td>
<td>4.2%</td>
</tr>
<tr>
<td>Transportation</td>
<td>2.5%</td>
</tr>
<tr>
<td>Utilities and Transport</td>
<td>5.1%</td>
</tr>
<tr>
<td><strong>Total United States (Cost: $2,861,563)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>China:</strong></td>
<td></td>
</tr>
<tr>
<td>BioTech (Cost: $26,578)</td>
<td>0.9%</td>
</tr>
<tr>
<td><strong>Ireland:</strong></td>
<td></td>
</tr>
<tr>
<td>Computer Components</td>
<td>0.7%</td>
</tr>
<tr>
<td>Health Care</td>
<td>0.2%</td>
</tr>
<tr>
<td>Total Ireland (Cost: $35,926)</td>
<td>0.9%</td>
</tr>
<tr>
<td><strong>Puerto Rico:</strong></td>
<td></td>
</tr>
<tr>
<td>Regional Banks (Cost: $48,000)</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>China:</strong></td>
<td></td>
</tr>
<tr>
<td>SIngapore:</td>
<td></td>
</tr>
<tr>
<td>Computer Components (Cost: $50,795)</td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>Total Common Stocks (Proceeds: $3,022,862)</strong></td>
<td>72.3%</td>
</tr>
<tr>
<td><strong>Master Limited Partnerships</strong></td>
<td></td>
</tr>
<tr>
<td>United States:</td>
<td></td>
</tr>
<tr>
<td>Consumer Services</td>
<td>1.0%</td>
</tr>
<tr>
<td>Energy</td>
<td>0.3%</td>
</tr>
<tr>
<td>Energy Services</td>
<td>0.2%</td>
</tr>
<tr>
<td>Materials</td>
<td>1.6%</td>
</tr>
<tr>
<td>Total Master Limited Partnerships (Cost: $115,986)</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Limited Liability Companies</strong></td>
<td></td>
</tr>
<tr>
<td>United Kingdom:</td>
<td></td>
</tr>
<tr>
<td>Energy Services (Cost: $8,082)</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Total Investments in Securities, at Fair Value (Cost: $3,144,930)</strong></td>
<td></td>
</tr>
</tbody>
</table>

## Securities Sold Short, at Fair Value

<table>
<thead>
<tr>
<th>Percentage of Net Assets</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common Stocks</strong></td>
<td></td>
</tr>
<tr>
<td>United States:</td>
<td></td>
</tr>
<tr>
<td>BioTech</td>
<td>1.3%</td>
</tr>
<tr>
<td>Computer Components</td>
<td>1.4%</td>
</tr>
<tr>
<td>Consumer Services</td>
<td>1.1%</td>
</tr>
<tr>
<td>Consumer and Distribution Services</td>
<td>1.1%</td>
</tr>
<tr>
<td>Consumer Durables</td>
<td>1.4%</td>
</tr>
<tr>
<td>Consumer Non-Durables</td>
<td>2.1%</td>
</tr>
<tr>
<td>Consumer Services</td>
<td>3.6%</td>
</tr>
<tr>
<td>Defense and IT Services</td>
<td>2.0%</td>
</tr>
<tr>
<td>Energy</td>
<td>1.3%</td>
</tr>
<tr>
<td>Energy Services</td>
<td>2.2%</td>
</tr>
<tr>
<td>Health Care</td>
<td>6.2%</td>
</tr>
<tr>
<td>Industrials</td>
<td>3.7%</td>
</tr>
<tr>
<td>Materials</td>
<td>3.7%</td>
</tr>
<tr>
<td>REIT</td>
<td>0.2%</td>
</tr>
<tr>
<td>Retail</td>
<td>3.5%</td>
</tr>
<tr>
<td>Semicconductors and Electronics</td>
<td>3.1%</td>
</tr>
<tr>
<td>Technology Software</td>
<td>1.4%</td>
</tr>
<tr>
<td>Telecom</td>
<td>1.3%</td>
</tr>
<tr>
<td>Transportation</td>
<td>0.7%</td>
</tr>
<tr>
<td>Utilities &amp; Transport</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>Total United States (Proceeds: $2,136,173)</strong></td>
<td>46.3%</td>
</tr>
<tr>
<td><strong>Monaco:</strong></td>
<td></td>
</tr>
<tr>
<td>Energy Services (Proceeds: $12,090)</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Total Common Stocks (Proceeds: $2,148,266)</strong></td>
<td>46.6%</td>
</tr>
<tr>
<td><strong>Exchange-Traded Funds</strong></td>
<td></td>
</tr>
<tr>
<td>United States:</td>
<td></td>
</tr>
<tr>
<td>ETF (Proceeds: $877,252)</td>
<td>20.9%</td>
</tr>
<tr>
<td><strong>Master Limited Partnerships</strong></td>
<td></td>
</tr>
<tr>
<td>United States:</td>
<td></td>
</tr>
<tr>
<td>Energy (Proceeds: $33,978)</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>Total Securities Sold Short, at Fair Value (Proceeds: $3,059,496)</strong></td>
<td>68.0%</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
Security Valuation
The Fund’s equity investments are traded on national securities exchanges or NASDAQ and are stated at the last reported sale price on the day of valuation. Accordingly, valuations will reflect unrealized appreciation and depreciation of investments. To the extent these securities are actively traded, and valuation adjustment amounts are not applied, they are categorized in level 1 of the fair value hierarchy.

Short Sales
The Fund may sell a security it does not own in anticipation of a decline in the fair value of that security. When the Fund sells a short security, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale. A gain, limited to the price at which the Fund sold the security short, or a loss, unlimited in size, will be recognized upon the termination of a short sale. The Fund is also subject to the risk that it may be unable to reacquire a security to terminate a short position except at a price substantially in excess of the last quoted price.

Income Taxes
The Fund has elected to be treated as a partnership for federal and state income tax purposes. A partnership is not a tax paying entity for federal and state income tax purposes. Income, loss, deductions and credits pass through proportionately to its members and are taxed at the individual members’ income tax rates. Accordingly, no provision for income taxes is provided in these financial statements.

NOTE 4 FAIR VALUE MEASUREMENTS
FASB Statement No. 157, “Fair Value Measurements and Disclosures,” clarifies the definition of fair value for financial reporting and establishes a three-tier hierarchy as a framework for measuring fair value which requires an entity to use the highest priority observable inputs in an active market for identical assets or liabilities (Level 1 measurements) and the lowest priority unobservable inputs (Level 3 measurements) when measuring fair value. The standard also requires additional disclosure about the use of fair value measurements.

Fair value is defined as the price to sell an asset or transfer a liability when market participants are in a transaction to participate as market participants as of the measurement date. The three levels of the fair value hierarchy under this standard are as follows:

Level 1 – Inputs are unadjusted quoted prices for identical instruments in active markets.
Level 2 – Inputs, other than quoted prices included within Level 1, are either directly observed, such as quoted prices for similar instruments in active markets, or indirectly observable, such as prices for identical instruments in inactive markets.
Level 3 – Inputs are unobservable in inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from techniques in which one or more significant value drivers are observable.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Subsequent Events
Management has evaluated subsequent events through April 8, 2016, the date which the financial statements were available to be issued, and determined no significant subsequent events have occurred requiring adjustments to the financial statements or disclosures.

NOTE 3 CONCENTRATION OF CREDIT RISK
The Company’s financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash and cash equivalents in financial institutions which periodically may exceed federally insured amounts. The Company has not experienced any losses in such accounts. The Fund maintains its cash balances at two separate financial institutions. The Federal Deposit Insurance Corporation (FDIC) covers $250,000 for substantially all depositary accounts.

The Fund pays certain L.L.C. registration fees and taxes required by the States of New York and Delaware, as well as all direct costs of investing, including brokerage commissions and interest on borrowings.

NOTE 6 FINANCIAL HIGHLIGHTS
The Fund’s investment returns and net investment income and expense ratios are as follows for the years ended December 31:

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Performance</th>
<th>Income from Investment Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$4,664,880</td>
<td>$7,884,917</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The fair value of all investments and securities sold short has been determined based on Level 1 inputs. There were no changes in valuation methodologies and related inputs used at December 31, 2015 and 2014.

NOTE 5 OPERATING EXPENSES
All Fund managers, directors, Investment Committee members, counselors and students participate in the Fund’s operations on an uncompensated basis except for reimbursement of approved expenses. The initial organization expenses were paid by Cornell University.

The Fund pays certain L.L.C. registration fees and taxes required by the States of New York and Delaware, as well as all direct costs of investing, including brokerage commissions and interest on borrowings.
Cayuga MBA Fund Mailing Address
P.O. Box 4029
Ithaca, NY 14852-4029

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La Kratofilou ’96, former chief executive officer, individual investor, Barclays

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Christopher Meredith, MBA ’05
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Scott M. Stewart, PhD ’85
Peter A. Wright, ’75, MBA ’76

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Montag and Caldwell
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JP Morgan Chase
Rasmus Gerdeman, MBA ’11,
FTI Consulting
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George Sint, MBA ’10
Kaybanc Capital Markets
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Jason Tauber, MBA ’06, Neuberger Berman
Steve Tish, MBA ’91, DSM Capital
Mark Vincent, MBA ’98, Wellington Management
David Wriglay, MBA ’98, DMBA

Fund Counsel
Foley Hoag
Accountants
Siarabaka Walker & Co., LLP
Independent Auditors
Ciaschi Dietershagen Little Mickelson and Co., LLP, a division of Insero & Co. CPAs
Prime Broker
Cowen Prime Services

Parker Center Technology Vender-Partners
Advantage Data Inc.
BigDough.com
Capital IQ
Dell
Factset Research Systems, Inc.
Morningstar
MSCI Barra
Rise Vision displays
Thomson Financial
Nasdaq [data feeds]
NYSE [data feeds]
Chicago Board of Trade [data feeds]

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Investment Committee
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