

# Dayton Daily News

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## UD student-investors win big in Tesla stock collapse

By Thomas Gnau (excerpt)  
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Student investors at the University of Dayton were able to avoid the worst in the collapse in Tesla share prices last week. In fact, they walked away with thousands of dollars earned in profit.

Students involved in the Kudla Dynamic Allocation Fund — sponsored by Dave Kudla, a Dayton native, UD graduate and chief executive of Grand Blanc, Mich.-based Mainstay Capital Management LLC — were able to exercise “put” options on shares of Tesla (NYSE: TSLA) Friday.

As of Tuesday, the students have cleared more than \$10,000 in profit from the deal thus far, Kudla said. “So proud of the #KDAF student managed portfolio team,” Kudla said in a recent tweet. “They shorted \$TSLA before earnings by buying PUT options. They obviously already have a very profitable trade based on #Teslas Friday’s closing price. Great work team! \$TSLAQ.”

When investors exercise “put” options, they act on the right to sell a stock at a pre-determined price at a pre-determined time.

Shares of Tesla fell more than 5 percent Friday to close at \$235.14, the stock’s lowest level since January 2017.

Since then, the stock has risen, closing Monday at \$241.47. But the Friday exercise remains profitable, Kudla said.

This was a decision that UD students made, emphasized Kudla, who closely follows the America auto industry. The fund’s chief investment officer, who is a student, stayed in touch with Kudla Friday through the process.

“They were able to ‘put’ the stock to the option seller at a much higher price,” Kudla said in a message to the Dayton Daily News Tuesday morning.

He expects the fund to see thousands of dollars in profit over a very short time frame.

Overall, the student-managed fund has grown from \$1 million to nearly \$1.5 million in six years, an increase of almost 50 percent. “Obviously not your basic boring investment fund.”

Kudla founded the fund in 2013 when he was executive director of the R.I.S.E event (Redefining Investment Strategy Education Forum) at UD.

Kudla also sponsors a similar fund at Stanford University, the largest student-managed fund at that school.

This trade was the students’ idea. The profits will be reinvested into the fund.

“I have ultimate veto power on any trade,” Kudla said in an interview Tuesday. “I have never exercised it.”

“They (UD students investors) have more rigor in their process than most of the guys who do what I do for a living,” he added. “I mean that sincerely.”

Ultimately, all earnings will be donated to the university, Kudla said.

“It was a very good learning experience, and that’s what this is all about,” he added. ...

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