

The University of New Mexico
ANDERSON SCHOOL OF MANAGEMENT

MGMT 479 – Applied Investment Management
Fall 2015

Mondays and Wednesdays, 4:00pm – 5:15pm

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Office Hours: **Mondays and Wednesdays, 3:00pm – 4:00pm**
and *all days by appointment*

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Welcome to the ASM Student-Managed Investments Program! You are the “portfolio managers” for the UNM Regents Portfolio. Your responsibilities include making recommendations for how to allocate the portfolio among sector exchange-traded funds, individual stocks, and cash. You have the full responsibility for the long-term trend synthetic ETFs and develop recommendations for new ones. You also have the overall responsibility for monitoring, reporting, and risk management.

Before buying or selling any securities, we must have the approval of our Investment Advisory Committee (see page 4). We are scheduled to meet with them 2 times during the semester to present portfolio analyses and recommendations. The meetings begin at 6:00 p.m. in the Jackson Center: **Monday, October 5th**, and **Wednesday, December 2nd**. In addition to these meetings, our clients expect us to monitor the portfolios and advise them if we believe there is a need for any emergency interim actions.

Prerequisite: This course builds on the foundations laid in Investments (BBA 471/MBA 571). Therefore, you need to have completed 471, 571, or the equivalent at another university prior to taking this course. Ideally, you either should have already taken or be currently enrolled in the Securities Analysis course (BBA 472/MBA 572). Both courses (as well as this one) count toward finance concentration credit.

Texts: None. Articles, teaching notes, and links will be posted on the course website during the semester.

Other tools: Often we will use Excel during class, and you are encouraged to bring a laptop. For your projects and assignments, you’ll need access to MS Word, Excel, and Power Point. During class, please silence your cell phones and incoming emails and texts. Web surfing (if not related to class work), cell phone calls, emailing, and texting during class are a distraction to those around you and make me cranky.(Naturally, in the case of a work or family emergency, you may leave class to take calls, etc.)

Learning Objectives:

- 1) Understand the principles and tools of investment and portfolio theory.
- 2) Understand the importance of portfolio objectives and investment policy.
- 3) Understand how to analyze risk and measure investment performance.
- 4) Understand the importance of and gain experience developing an economic outlook and recommendations for sector allocations.
- 5) Understand how to implement a variety of equity investment strategies.
- 6) Understand the ethics and the standards of professional conduct of portfolio management.

- 7) Understand the basics of investor behavior and managing client relations.
- 8) Gain familiarity with the day-to-day responsibilities of a portfolio manager.
- 9) Understand indexing and performance measurement.
- 10) Practice analytical, problem solving, communication, and formal presentation skills.
- 11) Expand and apply Excel programming skills.
- 12) Use the above knowledge to manage \$2.6 million in equity securities.

Attendance: Every student in this class will have a critical role toward the successful management of the Regents' Portfolio. Therefore, we need you attend every class and every presentation to the client (i.e., the 2 IAC meetings). In many jobs, unreasonable absences would result in your being fired. Similarly, given the responsibilities the class has to manage real money, unreasonable absences are unacceptable and may result in your failing the course or being dropped (see below). Please see me immediately after the first class session if you anticipate attendance being a problem. Thanks.

Academic Integrity: Anderson School of Management faculty, staff and students commit to values of trust, honesty, integrity, and accountability. We will not tolerate academic dishonesty. By enrolling in any course at Anderson, the student accepts the Anderson Academic Honesty Code and affirms the following pledge: *I will not lie, cheat, fabricate, plagiarize or use any other dishonest means to gain unfair academic advantage.*

Any violation of the code of conduct will be taken very seriously and appropriate sanctions will be applied. For the full text please visit <http://www.mgt.unm.edu/honesty>

Access to Education: Reasonable accommodation will be given to any individual with a disability. Please contact me one-on-one for arrangements. If you are a qualified person with disabilities who might need appropriate academic adjustments, please communicate with me as soon as possible so that we may make appropriate arrangements to meet your needs in a timely manner. Frequently, we will need to coordinate accommodating activities with other offices on campus. Course materials can be made available in alternative formats.

Audits, Incompletes, and Drops: Given the serious commitment that this class undertakes to manage real money, audits and incompletes are not appropriate for this course. In addition, the instructor may drop a student during the semester if the student has unreasonable or unexplained absences, is unprepared for class, fails assignments or misses deadlines, or violates the ethics and standards of professional money management.

Collaboration: Unless the instructions for a particular assignment advise otherwise, collaborative work, such as discussing course assignments, working through analyses, and studying with other class members, is highly encouraged.

Your final course grade will be determined as follows: 9 Assignments (10% each). Exact due dates TBD	90%
Your contributions to the class (e.g., valuable ideas, leadership, volunteering for tasks and completing tasks as promised, presentations to IAC). Please feel free to talk with me throughout the semester for feedback about your contributions so far or any other topic.	10%
Total	100%

Grading Scale	
97-100	A+
93-96	A
90-92	A-
87-89	B+
83-86	B
80-82	B-
77-79	C+
73-76	C
70-72	C-
67-69	D+
63-66	D
60-62	D-
Below 60	F

Penalty for Late Assignments: You will always receive instructions for the assignment at least 1 week before it is due. Late assignments will lose 10% of for each day late.

Approximate Schedule

(Subject to change to take advantage of market opportunities and feedback from the IAC advisors.)

Mon. 8/17 Portfolio Holdings, Investment Policy, CFA Ethics, and Monitoring Plan
Wed. 8/19 Behavioral Finance
Mon. 8/24 Sectors and Indexes
Wed. 8/26 Sectors and Indexes (continued)
Mon. 8/31 Deep Dive #1: The Financial Sector
Wed. 9/2 Deep Dive #1: The Financial Sector (continued)
Mon. 9/7 Labor Day (No class!)
Wed. 9/9 Deep Dive #1: The Financial Sector (continued)
Mon. 9/14 Attribution Analysis; Risk Analysis
Wed. 9/16 Attribution Analysis; Risk Analysis (continued)
Mon. 9/21 Long-Term Trend Updates
Wed. 9/23 Long-Term Trend Updates (continued)
Mon. 9/28 Develop Recommendations for the first IAC meeting
Wed. 9/30 Develop Recommendations for the first IAC meeting (continued)
Mon. 10/5 Dress Rehearsal for Presentations at 4 pm; IAC Meeting #1 at 6 pm
Wed. 10/7 Long-Term Trend Stock Analysis: Part 1
Mon. 10/12 Long-Term Trend Stock Analysis: Part 1 (continued)
Wed. 10/14 Long-Term Trend Stock Analysis: Part 1 (continued)
Mon. 10/19 Long-Term Trend Stock Analysis: Part 1 (continued)
Wed. 10/21 Long-Term Trend Stock Analysis: Part 2
Mon. 10/26 Long-Term Trend Stock Analysis: Part 2 (continued)
Wed. 10/28 Long-Term Trend Stock Analysis: Part 2 (continued)
Mon. 11/2 Long-Term Trend Stock Analysis: Part 2 (continued)
Wed. 11/4 Work on Final Long-Term Trend Reports
Mon. 11/9 Work on Final Long-Term Trend Reports (continued)
Wed. 11/11 Work on Final Long-Term Trend Reports (continued)
Mon. 11/16 Feedback to Security Analysts on Their Recommendations
Wed. 11/18 Feedback to Security Analysts on Their Recommendations (continued)
Mon. 11/23 Develop Final Recommendations and Presentations
Wed. 11/25 Time to work on group projects
Mon. 11/30 Develop Final Recommendations and Presentations (continued)
Wed. 12/2 Dress Rehearsal for Presentations at 4 pm; IAC Meeting #2 at 6 pm

Anderson School of Management Student-Managed Investments Program

In 2006, the Board of Regents of the University of New Mexico made available \$2 million of the Regents' Endowment Fund to establish an all-equity investment portfolio to be managed by Anderson School of Management students. The portfolio is managed under the supervision of faculty members as part of the students' course work in finance.

The curriculum for the program consists of a 3-course sequence which is offered at both the undergraduate and MBA level. The courses are Investments, Equity Security Analysis, and Applied Investments Management.

The Investments course (BBA 471/MBA 571) provides an introduction to the fundamental theories and practices of investment analysis and management.

The Equity Security Analysis (BBA 472/MBA 572) course covers company valuation and equity analysis. Students serve as the program's equity research analysts. The students are responsible for providing the research valuation reports and recommendations for stock holdings, and they also look for new stocks to recommend.

The Applied Investments Management course (BBA 479/MBA 579) is the final course in the sequence and provides the hands-on management of the Regents' Portfolio. The student "portfolio managers" make recommendations for how to allocate the equity portfolio among sector exchange-traded funds and individual stocks as well as how to allocate and cash. They also are responsible for monitoring, reporting, and risk management as well as the long-term trend positions.

An Investment Advisory Committee (IAC), consisting of 9 investment professionals, acts as the oversight body to the program and approves any purchase and sale recommendations made by the students. The portfolio is managed between semesters by student volunteers with faculty supervision.

(Please print your name, sign, and date below after reading all 4 pages of this syllabus.)

I have read all 4 pages of this syllabus and agree to abide by its terms.

Name _____ Signature _____ Date _____