

Course Information

Course: BUSI 122/222
Time: MWF 12:30 - 1:45pm
Room: Weber Hall 107
Course Website: Google Drive (will be shared with you)

Instructor

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Office Hours: MWF 9:45 - 10:45am or by appointment
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Course Description

The Student Investment Fund (SIF) provides Eberhardt students with the opportunity for hands on experience with managing a portfolio of securities. The class is made up of both undergraduate and MBA students. Under the guidance of the faculty advisor, students will monitor a portfolio of securities and make recommendations to hold or sell the existing positions. In addition, students will make recommendations to invest in new securities. Recommendations will be either accepted or rejected as determined by a vote by the class.

This is not a regular lecture-based course but rather a student-led experiential course. Early in the course, the faculty advisor will provide a review of some of the basic concepts in portfolio management and securities analysis. The class members will, however, be responsible for the majority of the educational content of the course. The objective of SIF is to develop and maintain a well-diversified portfolio that will outperform the fund benchmark. Both equities and fixed income assets are considered in our portfolio. Each member of the class will perform analysis for one asset sector and at least one particular company. Every member is also required to critically discuss other member's reports. In addition to their analyst role, each member will take responsibility in ensuring the fund's daily operating efficiency.

Learning Outcomes

- Manage a multi-million dollar diversified portfolio invested in stocks, bonds, and index funds.

- Use the “top-down method” and portfolio theory to make asset allocation and sector analysis decisions.
- Apply fundamental analysis techniques to evaluate industry and firm performance, competitiveness, growth potential and intrinsic value to make investment decisions.
- Apply the measurement of riskiness in evaluating investment choice and portfolio performance.
- Place trades in financial markets based on different risk factors in trading (such as liquidity, market timing, sentiment, market volatility, etc.).
- Monitor a financial portfolio and rebalance the portfolio based on return target and risk tolerance.
- Use financial database skills in evaluating the investment opportunities for the fund.
- Write reports, make presentations, organize internal meetings, perform outreach activities, and practice leadership skills and networking skills.

Completing this course will help students achieve the following Eberhardt School of Business learning objectives

- Demonstrate technical and analytical skills
- Demonstrate critical thinking skills
- Work effectively with others
- Communicate effectively

Course Materials

The textbook for this course is **Security Analysis and Business Valuation on Wall Street** 2nd edition by Jeffrey C. Hooke. This is an optional textbook that is available as a free e-book through the library.

<http://site.ebrary.com/lib/pacific/detail.action?docID=10381051>

I would highly recommend reading through Chapters 5-15, although you will find the entire text to be quite informative and approachable.

Grading

This course is not your typical lecture course, but rather a student-led, experiential learning class. A significant portion of your grade will be based on oral presentations and class participation. You will be expected to be prepared and knowledgeable for your presentations.

Written Reports - 1st Draft :	45%
Oral Presentations:	20%
Class Participation:	20%
Service:	10%
Bloomberg Certification:	5%

Please note that only the first draft of the written reports will be graded. This is because there will not be enough time to make significant edits to reports before the presentation. This means you will be responsible for asking any significant questions before the first draft is due. Treat your first draft as your final copy. Feedback from the faculty advisor can be used to better prepare for your presentation and improve report organization. Please see the responsibilities section for further information.

Final letter grades will be assigned on the following scale.

	+		-
A		$\geq 94\%$	90% – 93%
B	87% – 89%	83% – 86%	80% – 82%
C	77% – 79%	73% – 76%	70% – 72%
D	65% – 69%	60% – 64%	
F		$\leq 59\%$	

Responsibilities

This is a unique opportunity to have access to some of the finest analyst resources while managing a portfolio of nearly \$3 million. It should be taken very seriously. Know your sectors well. Keep current on any major news that will impact your sector. This will require a significant time commitment, but it will also provide a wonderful opportunity to network and develop skills necessary for several jobs in finance. **It will be readily apparent if you are mentally present for only the reports.**

Service Responsibility

The responsibilities of the key officers of the Fund are described in Appendix A¹. Key officers of the fund are usually elected among the returning SIF students. Each officer may have one or two new SIF students to help undertake the service responsibility. Their responsibilities will be outlined by key officers within the first 3 weeks of the semester. By the end of September and November, key officers will submit a summary of the service report to the Faculty Advisor. This written report shall include assistant officers' work.

Sector Assignment

Each member of the fund will be assigned a sector at the beginning of the semester (see Appendix B²). You will be responsible for researching and understanding this sector during the course of the semester. Staying current on significant news is essential and will help you in writing thorough, comprehensive reports.

Written Reports

Each student will prepare at least four written reports over the course of the semester. Every report must be sent the report to the Faculty Advisor at least **72 hours (3 days)** prior to presentation. The Faculty Advisor will send feedback to the analyst at least **48 hours (2 days)** prior to presentation. The analyst shall then provide the class the final version of the written report at least **24 hours (1 day)** prior to presentation. It is important to begin researching and preparing reports well before the scheduled date of presentation. I recommend giving yourself at least one to two weeks to complete your reports. Specific details regarding contents will be provided during class lectures prior to any reports.

Warning: Copying from a website, a company's annual report or an analyst report is plagiarism. Please make be careful to cite all relevant sources. **Plagiarism will not be tolerated in this class and will provide the grounds for asking the student to drop the class or for a grade of F for the class.**

Bloomberg Certification

You will be expected to send the faculty advisor an email from your Bloomberg account by Friday, August 30. All students are also required to pass the Bloomberg certification process before September 9th. Bloomberg will be your single most important resource and it is vital that you familiarize yourself with it as soon as possible.

¹Yes, this syllabus is so long it merits an appendix.

²Not another appendix!

Office Hours

While office hours are scheduled for MWF from 9:45 - 10:45am every week, many of you may have conflicts and be unable to make it during that time. If you have a question or would like to discuss any concerns, please email me and we can arrange another time to meet in person. Your success is important, and **I will always make myself available to discuss matters with you.**

Academic Integrity

The Honor Code at the University of the Pacific calls upon each student to exhibit a high degree of maturity, responsibility, and personal integrity. Students are expected to:

- act honestly in all matters
- actively encourage academic integrity
- discourage any form of cheating or dishonesty by others
- inform the instructor and appropriate university administrator if she or he has a reasonable and good faith belief and substantial evidence that a violation of the Academic Honesty Policy has occurred.

Violations will be referred to and investigated by the Office of Student Conduct and Community Standards. If a student is found responsible, it will be documented as part of her or his permanent academic record. A student may receive a range of penalties, including failure of an assignment, failure of the course, suspension, or dismissal from the University. The Academic Honesty Policy is located in Tiger Lore and online at <http://www.pacific.edu/Campus-Life/Safety-and-Conduct/Student-Conduct/Tiger-Lore-Student-Handbook-.html>

Students with Disabilities

If you are a student with a disability who requires accommodations, please contact the Director of the Office of Services for Students with Disabilities (SSD) for information on how to obtain an Accommodations Request Letter.

3-Step Accommodation Process

1. Student meets with the SSD Director and provides documentation and completes registration forms.
2. Student requests accommodation(s) each semester by completing the Request for Accommodations Form.
3. Student arranges to meet with his/her professors to discuss the accommodation(s) and to sign the Accommodation Request Letter.

To ensure timeliness of services, it is preferable that you obtain the accommodation letter(s) from the Office of SSD within 1-2 weeks. After the instructor receives the accommodation letter, please schedule a meeting with the instructor during office hours or some other mutually convenient time to arrange the accommodation(s).

The Office of Services for Students with Disabilities is located in the McCaffrey Center, Rm. 137. Phone: 209-946-3221. Email: ssd@pacific.edu. Online: www.pacific.edu/disabilities

Tentative Schedule (Subject to change)

Week One (8/26)

Mon: Introduction

Bloomberg Demo

Wed:

Fri:

Week Two (9/2)

Mon: Holiday

Wed: Bloomberg in SF (Leave at 7:00am)

BMC deadline!

Fri: Performance Summary

Week Three (9/9)

Mon: Lecture - Portfolio Theory

Wed:

Fri:

Week Four (9/16)

Mon: Economic Overview

Sector Outlook Reports: Financials, Healthcare

Wed: Sector Outlook Reports: Consumer Discretionary, Industrials

Fri: Sector Outlook Reports: Consumer Staples, Technology

Week Five (9/23)

Mon: Sector Outlook Reports: Energy, Materials, REITs

Lecture - Holdings Report

Wed: Sector Allocation Discussion

Discuss the FAME Conference

Fri:

Week Six (9/30)

Mon: Lecture - Holdings Report (cont.)

Discuss Recruiting

Wed: Guest Speaker (?) Lecture - Security Selection

Fri: Holiday

Week Seven (10/7)

Mon: Risk Assessment

Holdings Reports: Healthcare

Wed: Holdings Reports: Financials

Fri: Holdings Reports: Consumer Discretionary

Week Eight (10/14)

Mon: Holdings Reports: Industrials, Technology

Wed: Holdings Reports: Consumer Staples, Energy/Utilities

Fri: Holdings Reports: Materials, REITs

Week Nine (10/21)

Mon: Guest Speaker (?)

Wed: Sector Updates (at random)

Recruiting Decisions

Fri: Recruiting (cont.)

Week Ten (10/28)

Mon: New Stock Recommendation Reports: Financials, Healthcare

Wed: New Stock Recommendation Reports: Consumer Discretionary

Fri: Overflow

Week Eleven (11/4)

Mon: Economic Overview

New Stock Recommendation Reports: Technology

Wed: New Stock Recommendation Reports: Industrials

Fri: Overflow

Week Twelve (11/11)

Mon: New Stock Recommendation Reports: Materials, REITs, Energy/Utilities

Wed: New Stock Recommendation Reports: Overflow

Fri: Lecture: Wrap-up Reports

Week Thirteen (11/18)

Mon: Wrap-up Reports: Healthcare, Financials

Wed: Wrap-up Reports: Consumer Discretionary, Technology

Fri: Wrap-up Reports: Industrials, Consumer Staples

Week Fourteen (11/25)

Mon: Wrap-up Reports: Energy, Materials

Wed: HOLIDAY

Fri: HOLIDAY

Week Fifteen (12/2)

Mon: Wrap-up Reports: REITs

Wed: Risk Assessment

Wrap-up Report overflow

Fri: General wrap-up

Appendix A

- Chief Executive Officer (CEO)

The CEO role includes responsibility for overall organizational effectiveness and performance. The CEO manages the Executive Team and is liaison between the Fund and ESB. All units of the fund ultimately report to this person, who reports to the faculty advisor.

- Chief Investment Officer (CIO)

The CIO role entails responsibility for ensuring that the fund always has and follows its short-term and long-term investment strategy as well as the IPS. The CIO manages the Investment Team composed of Portfolio Manager, Economist, and Risk Manager.

- Chief Marketing Officer (CMO)

The CMO is responsible for promoting the Fund on and off campus as well as making and maintaining external liaisons for the Fund. The CMO manages the marketing team composed of Information Officer and Junior Marketing Officer.

- Chief Operations Officer (COO)

The COO is responsible for non-investing operations, including oversight of the unit's information/technology and accounting. The COO manages the operations team composed of Administrator and Accountant.

- Portfolio Manager (PM)

The PM is responsible for implementing the Fund's investment strategy and leading the daily portfolio management.

- Economist

The Economist is responsible for providing ongoing macroeconomic analysis on economic trends and forecasts for the United States and global economy. The analysis comprises the foundation for the Fund's investment strategy. At the outset of each semester, the CE is required to give a detailed presentation on the short-term and long-term economic outlook, which will be instrumental in the Fund's investment strategy..

- Administrator

The Administrator is responsible for all administrative tasks related to in-class documentation, including documenting decisions made by the Fund as well as managing the recruitment process.

- Accountant

The Accountant is responsible for maintaining purchasing procedures and controls for the fund and keeping the Fund's official books.

Appendix B

Table 1: Analysts' Sector Assignments

Sector	Senior Analyst	Junior Analyst
Consumer Staples		Helen Mills
Energy		Alex Kalfayan
Utilities		Alex Kalfayan
Consumer Discretionary		Wajiha Tahir Brinnley Barthles
Financials	Tamara Maldonado	
Technology		Ash Rutherford
Healthcare	Jay Halva	
Materials		Kabir Bhandaal
Industrials		Sam Olmstead Yahav Shahaff
REITs	Keith Sera	

Appendix C

See the document on the Google Drive for the Service Role Assignments

Appendix D

Useful Information

- SIF Google Drive

You must upload all of your reports and important documents onto the SIF Google Drive.

- Bloomberg terminal

Register for your own account at your earliest convenience. Found in the SIF trading room.

- SIF LinkedIn group

Upon your successful completion of SIF, please join the SIF alumni group on LinkedIn to stay in touch.

- SIF trading room

You will need to swipe your Pacific Card to enter the SIF trading room. Please keep the room clean and cool (it needs to stay cool so that the servers don't overheat). **No food or drink allowed in the room.** You will also be given 24 hour access to Weber Hall.