



# **The Investment Club**

## **GBM # 1**

**September 6th, 2023**  
**IPM | Harriman 137**

**Please Scan the QR code to sign in for today's GBM!**

# Meet the 2023-2024 Investment Club Executive Board!



Augustus DiBenedetto,  
President



Aaron Yu, Vice President



Estella Saha, Secretary



Brian Donlan, Treasurer



Tarun Vaidhyanathan,  
Operations Manager

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## AN OVERVIEW OF THE NEXT 2 SEMESTERS

- Discussions on financial markets
- Site Visits to NYC finance firms!
- Alumni guest speakers from the financial industry
- Investment Industry Panels with speakers from leading banks and hedge funds
- Partnerships with Societe Generale and Project Pie

- Collaborations w/ SBU Finance Society
- Trading Competitions
- Launch of the SBU student-alumni Finance network platform
- Financial literacy seminars
- Career/Resume/Networking Workshops
- And much more!

# Voya Guest Speaker and Site Visit

- Guest Speaker: Global Head of Quantitative Equities at Voya  
Peg DiOrio
- Date/Time: Wednesday, Oct 4 at 1:00PM
- Site Visit: TBA
- Location: Harriman 137
- Has worked at:
  - Alliance Bernstein
  - Voya Investment Management



Investment Club

**VOYA**  
FINANCIAL

Guest Speaker  
**Peg DiOrio**

1:00 P.M - 2:00 P.M in Harriman 137  
October 4th, 2023



- Co-Head of Quantitative Equity at Voya Investments
- More than 3 decades of experience in the field
- Board member of Society of Quantitative Analysts
- Advisory board member of SBU AMS department



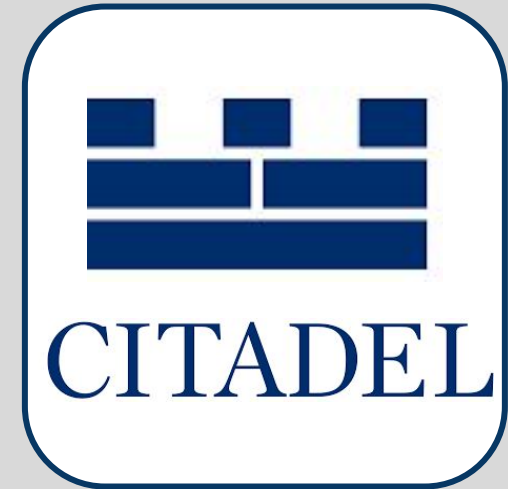
# Naik Brothers Guest Speaker Event

- Guest Speakers:
  - Investment Banking Quant Analyst at Goldman Sachs  
Eesh Naik
  - Former Intern at the SEC  
Som Naik
- Date/Time: TBA
- Location: Zoom



# Algorithmic Trading Seminar with Horace Liu

- Guest Speaker: Ex Investment Club VP  
Horace Liu
- Date/Time: [Day], Sept/Oct [##] at 6:30PM
- Location: Zoom
- Has worked at:
  - Citadel,
  - Virtu Financial






# EDUCATIONAL FINANCE RESOURCES

- Websites:
  - Investopedia: <https://www.investopedia.com/>
  - Wall Street Journal: <https://www.wsj.com/>
  - Financial Times: <https://www.ft.com/>
  - Bloomberg: <https://www.bloomberg.com/>
  - Our Website: <https://sbuinvestmentclub.wixsite.com/sbuic/recommended-reading>
- Classes for Learning More About Finance:
  - BUS 330, ECO 389, AMS 318, EST 392 (The basics)
  - BUS 331, BUS 335, BUS 355, BUS 356, BUS 365, AMS 320, AMS 420
- Classes for Learning More About Money and the Economy
  - BUS 366, ECO 360, ECO 108, ECO 303, ECO 305, ECO 325, ECO 362, ECO 383, ECO 386
- Books:
  - *Mark's Guide to Sales and Trading*, by Mark Ross, 2022
    - [Link to Mark's book](#)
  - *A Beginner's Guide to the Stock Market*, by Matthew R. Kratter
    - [Link to Matthew's Book](#)
  - *Stock Market Explained* (for advanced investors)
    - [Link](#)



Looking to network with other students and industry professionals?  
Join our LinkedIn group below! [Link here](#)



**Michael C. Gannon** Owner  
Created group: Aug 2023

Pending posts 0  
Requests to join 0

Manage group


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Recent

- Stony Brook University Studen...
- # linkedinfinance2023
- # sundaystudents

Groups

- Stony Brook University Studen...



**Stony Brook University Student-Alumni Finance Network**

Public group

[Earn an Active Group badge](#)


Start a public post

Media Poll

All Recommended

**75 members**

Including Vishnu Teja Sardee and 52 other connections



53

[Invite connections](#)

[Show all →](#)

**Analytics**  
Last 15 days activity

**894**  
Active members

**75**  
New members

**2**  
Posts



# What is an Asset?

- “An **asset** is a resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide a future benefit.” <sup>[1]</sup>
- Investors purchase and sell assets to profit off of fluctuations in their prices.
- An **asset class** is simply a category, or type, of asset
  - **Equities** (stock)
  - **Fixed Income** (or debt) securities (bonds)
  - **Cash or Cash Equivalent** (money, checkings/savings)
  - **Alternative Assets** (real estate, cryptocurrencies, commodities, art, etc)



[1] Investopedia: <https://www.investopedia.com/terms/a/asset.asp>

# Asset Classes

# Periodic Table of Asset Classes

Currency

1

Ca

Cash Deposits

Fixed Income

1

HY

High Yield Savings Account

5

SB

Savings Bonds

Equities

1

CD

Certificate of Deposit

5

TB

Treasury Bills

74

CS

Common Shares

NR

SD

Structured Deposits

91

REF

Real Estate Fund

67

In

Industrial

86

Wa

Water

96

Ag

Silver

1

MM

Money Market

29

MB

Municipal Bonds

74

EF

Equity Funds

NR

ILP

Interest-Linked Products

94

LBO

LBO Fund

90

Re

Residential

93

En

Energy

98

CO

Crude Oil

5

StT

Short-term Treasuries

37

CB

Corporate Bonds

80

DpS

Dividend-Paying Stocks

NR

ELP

Equity-Linked Products

NR

VC

Venture Capital Fund

91

Com

Commercial

NR

Ro

Roads

99

NG

Natural Gas

NR

FC

Foreign Currency

NR

FA

Fixed Annuities

88

PS

Preferred Shares

NR

CLP

Credit-Linked Products

NR

FF

Fund of Funds

91

REIT

Real Estate Investment Trust

NR

Ai

Airports

99

Wh

Wheat

99

Cry

Crypto Currencies

57

JB

Junk Bonds

NR

TS

Treasury Stock

NR

MLP

Market-Linked Products

NR

MC

Mezzanine Capital

NR

RL

Raw Land

NR

Rr

Railroads

99

Cn

Corn

Collectibles

NR

Art

Fine Art

Commodities

75

Au

Gold

NR

RC

Rare Coins

NR

St

Stamps

NR

Ti

Timepieces

NR

RW

Rare Wine

NR

CC

Classic Cars

NR

RH

Race Horses

Riskalyze Risk Number\*  
NR= not rated

27

CS

Common Shares

Risk  
The darker the color,  
the riskier the  
financial instrument.

Source: Eddie Donmez, LinkedIn <https://shorturl.at/bADX6>

# Equities and the stock market

- What is an equity asset?
  - “An equity security is a share of ownership in an entity such as a company or partnership.” [1]
  - Investors invest in equities in the hopes that the value of their fractional ownership will increase with time, resulting in **capital gains**. **Dividends** are also a benefit of owning stock.

[1] Mark's Guide to Sales & Trading <https://www.amazon.com/dp/B0BQP95FS5>



# Fixed Income and the debt markets

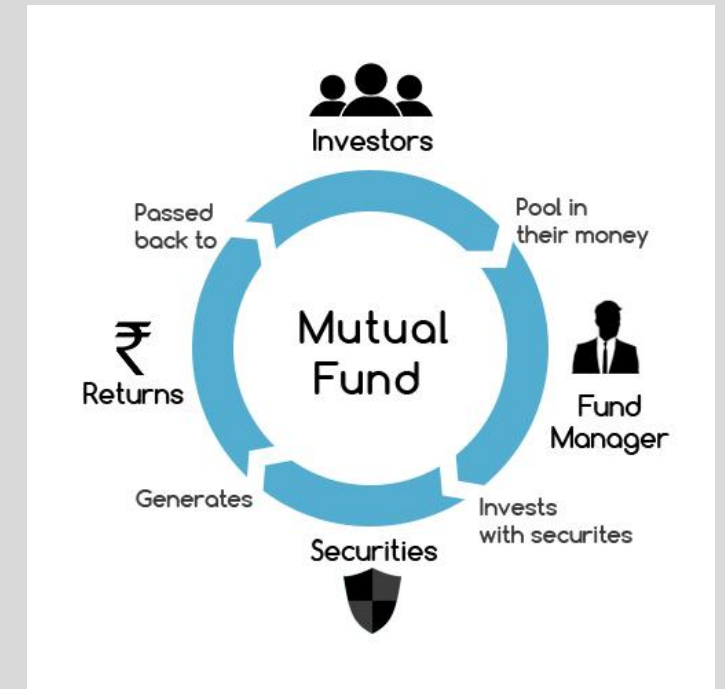
- What is a debt asset?
  - “A debt security is an I.O.U. from the issuer to the holder that can usually be traded to a third party.” <sup>[1]</sup>
  - The two most common forms that debt assets take are loans, or bonds. Bonds are often issued by governments or corporations to raise money for projects or other expenses.



[1] Mark's Guide to Sales & Trading <https://www.amazon.com/dp/B0BQP95FS5>

# Hybrid Securities

- Hybrid Securities
  - Hybrid Securities combine 2 or more types of securities
- Mutual Funds and Exchange Traded Funds (ETF)
  - **Mutual Funds** are a **portfolio** of investments
  - **ETFs** are mutual funds that can be traded on an exchange, much like a share of stock
- Convertible Bonds
  - **Convertible bonds** can be converted from bonds into common stock





# Stock Exchanges and Market Indexes

- What is a Stock Exchange?
  - A **stock exchange**, simply put, is a forum where people purchase and sell publicly traded equity securities.
  - Examples: New York Stock Exchange, American Stock Exchange, NASDAQ
- What is a Market Index?
  - A Stock Market **Index** is an indicator of how a grouping of stock prices are trending/performing.
  - Examples: Dow Jones Industrial Average, S&P 500, NASDAQ
  - **Bull Market**: Stock prices have risen and are expected to keep increasing
  - **Bear Market**: Stock prices have fallen and are expected to keep decreasing



# A Few Major Factors that affect the stock market

## 1. Company business activities

- a. New product releases
- b. Quarterly/Annual earnings reports

## 2. The Economy

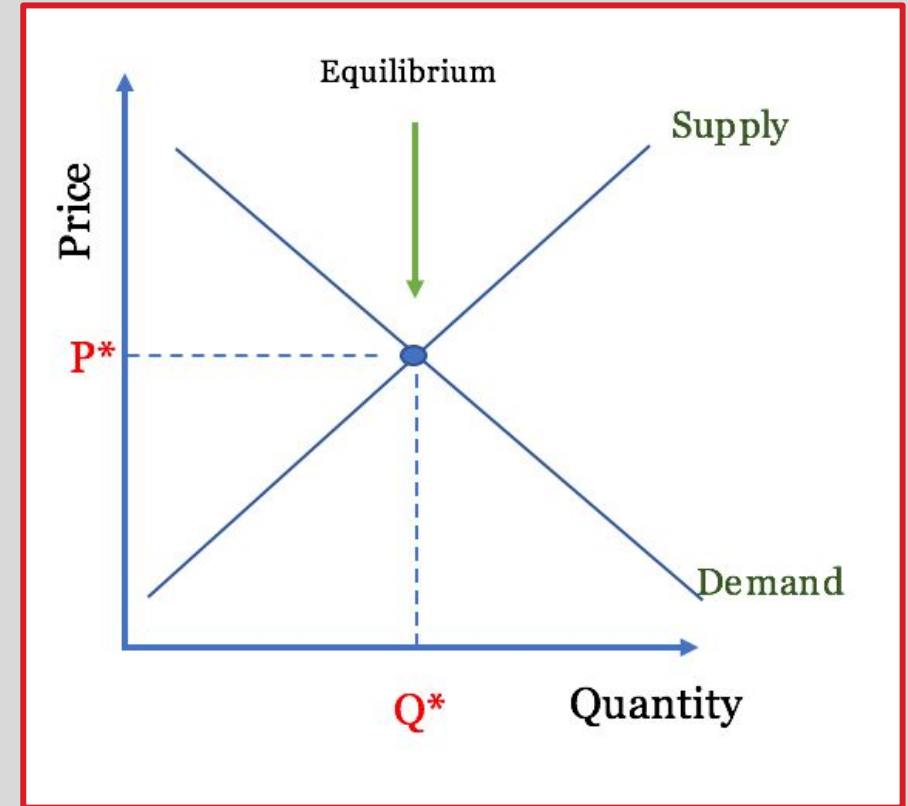
- a. Price stability (inflation/deflation)
- b. Unemployment
- c. GDP (output) reports
- d. Consumer spending reports

## 3. Interest Rates (Monetary Policy)

- a. Low rates support bull markets
- b. High rates create bear markets

## 4. Politics

- a. Fiscal policy (taxation/government spending)
- b. War



# Trading Methods

- Long Position (Buy Low, Sell High)
  - This is the classic approach to investing that first comes to mind. You hypothesize the asset price will rise.
  - You purchase an asset at a lower price, sell at a higher price, and pocket the difference.
- Short Position
  - This method is not quite intuitive, but is generally simple. First, you must hypothesize that the asset price will decrease.
  - You borrow the asset at a higher price and sell it right away. You purchase the asset back when the price drops and return the asset and pocket the difference



## Trading Methods (Continued)

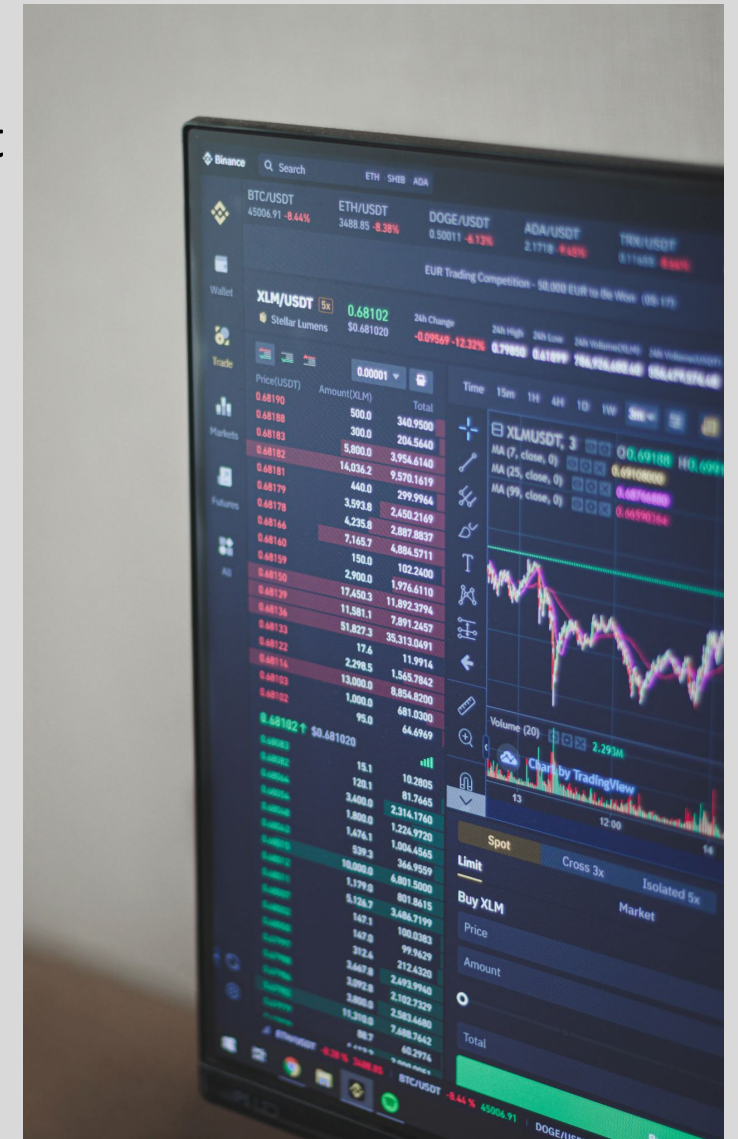
- Buying on “Margin”
  - “Buyers have the ability to buy securities on margin. This occurs when an investor purchases a security by borrowing money from a broker.” [1]
  - “The act of borrowing to make an investment is known as leverage.” [2]
  - Very risky! Should the asset price plummet, the investor must pay the broker back with interest.
- Derivative Contracts
  - “A derivative security is a financial contract that derives its value from one or more underlying asset(s)”[3]
  - Derivatives are used both for risk hedging (reduction) and for speculative (risky) bets.
  - Only risky when used for speculation.





# Derivative Contracts

- Forwards
  - An agreement between two investors to transact on an asset at a specified future date at an agreed upon price/rate.
- Futures
  - “**Futures contracts** are forwards contracts which have standardized terms, are traded on an exchange, and the prices are settled on a daily basis until the contract expires.” [1]
- Options
  - “An **options contract** gives the buyer the right, but not obligation, to buy or sell a security for an agreed price at a specified date in the future.” [2]
- Swaps
  - “A **swap** is an arrangement between two parties where they swap the incoming cash flows from two assets, one usually being a fixed set of cash flows, and the other, fluctuating.” [3]





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## How Can I Start Investing?



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# Index Funds

Some Popular ETFs and Mutual Funds

[Top 5 Biggest Mutual Funds \(investopedia.com\)](https://www.investopedia.com/top-5-biggest-mutual-funds/)

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BUILD YOUR \$TAX



Code: **L6QTPU43W5**

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