What is AMP?

• Course designed to merge the theoretical and the practical
• Provides students practical experience in managing a real investment portfolio
• Students manage portion of Northwestern’s endowment
  – Five portfolios across four teams
  – Total ~ $11.8 million
• Advocates value investing strategy based on fundamental analysis, with quantitative strategies as an overlay.
What is AMP?

- Students have two roles in managing assets
  - Equity Analysts
    - Research individual stocks
    - Prepare stock pitches for investment committee (and class)
  - Portfolio Managers
    - Determine portfolio positions and trading strategies (buy, sell, quantities, timing)
    - Determine asset allocation (equities, ETFs, cash)
    - Monitor adherence to investment policy statement
      - Restrictions on beta, % holdings, tracking error
What is AMP?

- Opportunity to learn several analytical tools and data bases, including:
  - Bloomberg
  - BARRA
  - Interactive Brokers (trading software)
  - Thomson One
  - Cap IQ
  - FACTSET
Structure of AMP

- Two to four quarter sequence

  - Spring — FINC 456 — 1 credit (AMP I)
  - Fall — FINC 457 — 1 credit (AMP II)
  - Winter — FINC 458 — 1 credit (AMP III)
  - Spring — FINC 459 — 1 credit (AMP IV)
    - AMP I and AMP IV meet together in Spring
Structure of AMP

- Meet Wednesday evenings, EV campus, 6:30 - 9:30
- 2 - 4 guest lectures by practitioners each quarter
  Examples include:
    - Louis Simpson (x58): SQ Advisors
    - Stephen F. Mandel: Lone Pine Capital
    - Jeffrey Ubben ('87): ValueAct Capital
    - David Kabiller ('87): AQR Capital
    - Joel Tillinghast ('83): Fidelity Investments
    - Steven Einhorn: Omega Advisors
    - Jennifer Martin ('99): T. Rowe Price
    - Myron Scholes: Nobel Prize in Economics
Structure of AMP

• Student presentations constitute a major component of course
  – Portfolio performance review weekly
  – Over two quarter sequence students must prepare at least
    • Two stock pitches
    • One research report
  – Feedback from both professor, an industry professional, and classmates
Pre-reqs

- Prerequisites for AMP
  - FINC 431 (Finance II) or FINC 440 (Accelerated Corporate Finance)
  - Prior or consecutive work experience or courses in financial statement analysis and preparation of pro forma financial statements.
  - Concurrent or prior enrollment in one of FINC 442, 444, 448, 463, 477 or ACCT 451 with the first term of AMP counts towards this requirement
Co-reqs

• First term (or prior) one of
  – FINC 442  Financial Decisions
  – FINC 444  Value Investing
  – FINC 448  M&As, LBOs and Corporate Restructuring
  – FINC 463  Security Analysis
  – FINC 477  Global Entrepreneurial Finance
  – ACCT 451  Financial Reporting and Analysis I

• Plus (before graduation)
• One from chosen from
  – FINC 465  Derivative Markets
  – FINC 950  Capital Markets
AMP Advisory Council

• Practitioners and alums

• Annual meetings

• Participate in stock pitches, research papers

• Mentoring
AMP Advisory Council

• Tadd Chessen, Managing Director, Marketable Investments, Northwestern University Investment Office.
• Scott Fearon (’83), President and Founder, Crown Capital Management.
• Stuart Goode (NU ’65, Kellogg ’66), formerly partner, Warburg Pincus.
• Malcolm Jones (’82)
• Michael Lowenstein (’84), Co-Founder and Co-President, Kensico Capital Management
• Jennifer O’Hara Martin (’99), Portfolio Specialist and Vice President, T. Rowe Price
• Avi Nash (’81), Chair, Motivation for Excellence
• Louis Simpson (X ’58), Chairman and Co-Founder, SQ Advisors
• Jeffrey Ubben (’87), Founder and the Chief Executive Officer, ValueAct Capital
• Robin Yoshimura (’94), Managing Director and Wealth Manager, First Republic Investment Management
Applications

- Admit applicants every quarter except summer:

- Through Experiential Learning site

- Address questions to Prof. Braun, Jagannathan, Korajczyk, or Vincent

- Current members of AMP and Investment Management Club are good sources of information about course.
More on AMP

- More information can be found at http://www.kellogg.northwestern.edu/asset_management
  - Firms that have hired AMP students
  - Past and future speakers and events
  - Application details