

Asset Management Practicum (AMP)

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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 ~ \$9.5 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

- Three 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
Sam Zell:	Equity Group Investments
Myron Scholes:	Nobel Prize in Economics

Structure of AMP

- Student presentations constitute a major component of course
 - Portfolio performance review weekly
 - Over three quarter sequence students must prepare at least
 - Two stock pitches
 - One research report
 - Feedback from both professor and classmates
 - Feedback on stock pitches from investment committee and outside professionals

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

Advisory Board

- Practitioners and alums
- Annual meetings
- Participate in stock pitches, research papers
- Mentoring

Applications

- Two points of entry:
 - Apply winter quarter for spring or fall start
 - Apply summer quarter for fall start
- Address questions to Prof. Braun, 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**