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 ~ $18.7 million
• Advocates value investing strategy based on fundamental analysis, with quantitative strategies as an overlay.
Performance

- July 16, 2020 – July 16, 2021
- Benchmark = S&P500 total return, 36.2%
  - Commingled Fund return 35.93%
  - Crown Fund return 42.74%
  - Kenney Fund return 41.85%
  - Nash Fund return 38.61%
  - Simpson-Querrey Fund return 58.21%
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 three quarter sequence

  - Spring  — FINC 456  — 1 credit
  - Fall    — FINC 457  — 1 credit
  - Winter  — FINC 458  — 1 credit
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): Inclusive Capital Partners; 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
    - One stock pitch
    - One research report or a second stock pitch
  - 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 (not offered this year)
  – 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, Inclusive Capital Partners; Founder and former 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, Garino, or Korajczyk

• 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