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 ~ $15.3 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 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, 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 477 Global Entrepreneurial Finance
  – ACCT 451 Financial Reporting and Analysis I

• Plus (before graduation)
• One from chosen from
  – FINC 465 Derivative Markets
  – FINC 450 Capital Markets
AMP Advisory Council

- Practitioners and alumni
- 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
- Kimberly Querrey, President & CEO of Gulf Shore Private Capital, LLC
- 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