

# Asset Management Practicum (AMP)

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# *What is AMP?*

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- 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?*

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- 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?*

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

# Structure of AMP

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- 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

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- 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

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- 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

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- 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

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- 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*

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

# *Applications*

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- 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*

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- More information can be found at [http://www.kellogg.northwestern.edu/asset\\_management](http://www.kellogg.northwestern.edu/asset_management)
  - **Firms that have hired AMP students**
  - **Past and future speakers and events**
  - **Application details**