

Syllabus for Course Reference # 11118 / 11121 in Spring 2020
FIN 4934/6930 – Student Managed Investment Fund

General Course Information

Course Title Student Managed Investment Fund (aka *Eagle Fund*)

Description A seminar in security analysis and portfolio management. Students will experience the actual investment management process by analyzing and investing designated funds into a variety of securities. The primary purpose of the course is to give students practical experience in the selection and management of an actual securities portfolio. It is not to maximize gains within the current semester.
This course may not be Audited.

College Business
Division Business
Subject Area FIN-Finance
Course Number FIN 4934 / FIN 6930
Credit Hours 3

Meeting Info. January 6, 2020 – April 27, 2020:
Monday: 4:30pm–7:15pm in LH 1205

Prerequisites FIN 3504 (or equivalent MBA course)
Corequisites FIN 4514 (FIN 4934 only)

Distance Learning/Off Campus Course Information

No, it is an on-campus course.

Instructor Information

Instructor: Dr. Travis Jones
E-Mail: tljones@fgcu.edu
Phone: 239-590-7167
Office: LH 2305
Office Hours: Monday: 3:30-4:30pm & 7:15-8:15pm
Wednesday & Friday: 10:30am–12:00pm, or by appointment

If you plan to come by my office (especially from off campus), please send me an email to make an appointment, to make sure that I am available.

Teaching Philosophy:

My philosophy for this class is to be the "guide on the side," rather than the "sage on the stage." That is, students must take ownership and initiative in this class, learning from actual experience the process of analyzing individual securities, managing portfolios of assets, and making buy and sell decisions in a dynamic economy. I will help and encourage the class, but I expect students, working individually and in groups, to ultimately determine the strategies used and actions taken to invest and manage the funds allocated in a manner that is consistent with fiduciary responsibility.

Course Materials

Textbooks (available in *Eagle Fund Library* – no need to purchase):

- *Trading and Money Management in a Student-Managed Portfolio* (by Bruce and Greene, ISBN: 978-0123747556)
- *Essentials of Investments* (by Bodie, Kane, and Marcus)
- *Others in library*

Other Materials: Bloomberg – available in LH 1205
 Wall Street Journal and/or other finance news sources.
 You are encouraged to bring a laptop computer, iPad, etc. to class, if you so choose.

Course Policies, Learning Objectives, and Agenda:

The **Course Grade** will be determined as follows:

Class Participation & Attendance.....	20%
Required Readings.....	10%
Bloomberg Market Concepts.....	10%
Group Security Analysis Reports and Class Assignments	20%
Individual Security/Portfolio Analysis reports.....	20%
Professional Practitioner Interview and Report.....	20%

Due dates for reports and assignments will be determined on an individual basis.

Attendance: Attendance is very important in this course. Therefore, missing more than two class periods will result in a reduction of one letter grade from your final average.

Note: FIN 6930 students are required to lead the efforts in presenting to community and the FGCU Foundation Board, including creating Power Point presentations and speaking. They are also required to do more thorough analysis work, and assist in entering trades for the portfolio, as needed.

Learning Objective		Assessment Strategy
1.) Gain experience in conducting security analysis and portfolio management	➡	1.) Group stock and bond reports, individual stock and bond reports, portfolio construction and tracking
2.) Gain exposure to industry professionals	➡	2.) Professional practitioner interview, guest speakers, interaction with FGCU foundation finance committee
3.) Improve written and oral communication skills	➡	3.) Group and individual security reports, in class presentations, professional practitioner interview, report to FGCU foundation finance committee
4.) Improve group cooperation and organizational skills	➡	4.) Group security reports and class presentations

External Resources

You will need to access external resources for your research on securities for this course. Below is a list of resources from the FGCU library and a few websites that are useful (this is *not* a comprehensive list – feel free to use any financial resource you have access to). In addition, see **Chapter 7** in *Trading and Money Management in a Student-Managed Portfolio* for more resources.

General:

Bloomberg (terminal located in LH 1205)

www.finance.yahoo.com

www.bloomberg.com

www.sec.gov

FGCU Library Databases (access from the library website):

S&P Net Advantage

Business & Company Resource Center

Mergent

Bonds:

www.fidelity.com

www.investinginbonds.com

www.fitchratings.com

www.federalreserve.com

Stocks:

www.seekingalpha.com

www.morningstar.com

Investment Guidelines (from FGCU Foundation)

The Finance Committee is a standing committee appointed by the Chairperson of the Foundation and confirmed by the Board. The Finance Committee is responsible for the investment of Foundation assets and for establishing policies and procedures with the concurrence of the Board.

The Finance Committee will, with approval of the Board, retain registered investment advisors to manage the assets. Investments advisors will be selected from established and financially sound organizations, which have a proven and demonstrable record in managing funds with characteristics appropriate for the risk/return profile of the Foundation's assets. The selection process will involve a process which will be determined and fully documented for the Finance Committee's records.

The Finance Committee may from time to time elect to acquire, receive or hold alternative investments (such as real estate, venture capital, etc.) with approval of the Board if it is

determined that such investments will be in the best interest of the Foundation and the University. Such assets will be valued at fair market value. Alternative investments should at no time comprise more than approximately 10% of the total market value of Foundation assets.

Asset Allocation Policy

It is anticipated that 60% to 75% of the market value of the total investment pool(s) will be invested in equities; 55% to 70% in a Domestic Equities portfolio and 5% in an International Equities portfolio. It is further anticipated that 15% to 25% of the market value of the total investment pool(s) will be invested in a Fixed Income portfolio. Other Investments will have a range of 5% to 15% and a minimal balance to make anticipated expenditures will be invested in cash equivalent instruments. In order to provide a range for the anticipated mix within which the investment manager can have sufficient operating flexibility, the following targets and ranges shall apply. The Finance Committee approved allowing the equity percentage to exceed 70% if it is the result of appreciation. If equity exceeds 70%, it will be reviewed by the Finance Committee on a quarterly basis. In no case should the equity percentage exceed 75%.

	<u>Range</u>	<u>Target</u>
Equities	55% - 75%	70%
Fixed Income	15% - 25%	20%
Other Investments	5% to 15%	10%
Cash Equivalents	Minimal	N/A

The Finance Committee will review the total investment pool(s) allocation and will, from time to time, rebalance it to achieve the target allocation.

Equity Portfolio

In compliance with the policies established by the Finance Committee, the equity manager(s)' portfolio shall consist only of stocks traded on the three principal U.S. Stock Exchanges (NYSE, AMEX, and NASDAQ). The use of American Depository Receipts (ADRs) or American Depository Shares (ADSs) in the Domestic Equity portfolio is limited to 10% of the total Domestic Equity portfolio. Investments should only be made in corporations with a minimum market capitalization of 1 billion dollars. Investment in any single corporation's stock shall not exceed 10% of the market value of the equity manager(s) portfolio. The investment in any individual market sector shall not exceed 150% of the market weight as measured by the (S&P 500) on the close of a quarter. Foreign equities on a pooled basis will not exceed 5% of the investment manager(s)' portfolio.

Within the limits outlined above, the investment manager is expected to invest in a fully diversified portfolio of equity securities.

Fixed Income Portfolio

Quality/Ratings -- In compliance with the policies established by the Finance Committee, the fixed income manager(s) shall invest in bonds issued by the U. S. Government, an agency of the

U.S. Government, publicly traded corporation or its affiliates, taxable municipal bonds and preferred stock. All corporate issues should be rated "BAA" or "BBB" or better by Moody's or Standard & Poor's rating services respectively. "BAA" or "BBB" bonds shall not exceed 10% of the market value of the total fixed income portfolio. The market value of bonds issued by any single corporate issuer shall not exceed 10% of the market value of the investment manager(s)' total fixed income portfolio.

In the event that any individual security in the portfolio drops below "BAA" or "BBB", (investment grade) as rated by Moody's or Standard & Poor's, the manager(s) shall immediately sell the security.

Duration – The target duration of the fixed income portfolio shall be three to seven years. The Finance Committee shall approve any changes to the portfolio duration.

Permitted Investments – The portfolio shall contain primarily domestic corporate and government notes and bonds, including mortgage-backed securities. Preferred stock and taxable municipal bonds are acceptable investments but are limited to 5% and 30% of the total fixed income portfolio respectively.

Other Investments (Alternative)

The Finance Committee has approved the following alternative investments and amounts:

Private Equity—Northern Trust	\$ 500,000
Private Equity—Credit Suisse	1,000,000
High Yield Bonds—Wasmer Schroeder	1,000,000
REITS—Wells	250,000
REITS – Beringer	100,000

Restricted Investment -- The portfolios shall be restricted from investing in derivatives and securities rated below Investment Grade unless approved in writing by the Finance Committee in advance.

Investment Goals

Total Portfolio

The goal of the total investment pool shall be to achieve a return over the long term (3 years) in excess of a target index. The target index established by the Finance Committee for the investment pool is defined as a 60% investment in the Standard & Poor's 500 Stock Index, a 35% investment in the Barclays Aggregate Bond Index and minimal cash balances in 91 day U.S. Treasury Bills.

Equity Portfolio

The primary goal of the equity manager(s) shall be to achieve a return over the longer term (3 years) in excess of that of the Standard & Poor's 500 Stock Index. The primary goal of the foreign equity manager(s) shall be to achieve a return over the longer term (3 years) in excess of that of the Europe, Australia and Far East (EAFE) Index.

Fixed Income Portfolio

The primary objective of the fixed income managers shall be to add stability, consistency, liquidity, and safety to the total pool portfolios. The secondary objective shall be total return. Additionally, the investment manager(s) shall strive to achieve a total return in the longer term (3 years) in excess of the return of the Lehman Brothers Corporate/Government Intermediate Bond Index.

Performance Evaluation

The investment manager(s) of the Foundation investment pool shall provide quarterly reports for management purposes. The reports shall include data on investments held, returns earned, fees charged, and any other information necessary such as the "net return" calculation for clarification of the investment manager(s)' results.

Upon reasonable notice, the investment manager(s) shall provide any information relevant to the investment pool as requested by the Finance Committee. The investment manager(s) shall notify the Finance Committee immediately, in writing, of any significant change in its management, personnel, methodology or procedures.

The investment manager(s) compliance with all investment guidelines will be reviewed on a quarterly basis. Information is to be provided in the format specified by the Finance Committee. Investment manager performance will be evaluated to determine success in achieving the goals and objectives outlined in this statement. In addition, both the equity and fixed income investments selected by the investment manager(s) will be evaluated to determine risk and consistency of investment style.

In the equity portfolio, consideration will be given to variability and volatility of returns, security diversification and portfolio characteristics (i.e. p/e ratio, dividend yield, average market capitalization and average debt to capital).

In the fixed income portfolio, consideration will be given to variability of returns, as well as average quality and maturity of the portfolio.

University Statements

Academic Dishonesty/Cheating Policy:

All students are expected to demonstrate honesty in their academic pursuits. The university policies regarding issues of honesty can be found in the FGCU Student Guidebook under the Student Code of Conduct and Policies and Procedures sections. All students are expected to study this document which outlines their responsibilities and consequences for violations of the policy. The FGCU Student Guidebook is available online at <http://studentservices.fgcu.edu/judicialaffairs/new.html>.

University Nondiscrimination Statement:

Florida Gulf Coast University is committed to ensuring equity and fairness for all University employees, students, visitors, vendors, contractors and other third parties. As such, the University prohibits discrimination on the bases of race, color, national origin, ethnicity, religion, age, disability, sex (including sexual harassment/assault), gender identity/expression, marital status, sexual orientation, veteran status or genetic predisposition with regard to admissions, employment, programs or other activities operated by the University. This prohibition extends to enforcement of Title IX of the Education Amendments of 1972. Questions or complaints should be directed to the Office of Institutional Equity and Compliance (OIEC). The OIEC's phone number is (239)745-4366; the OIEC email address is OIEC@fgcu.edu.

Disability Accommodations Services:

Florida Gulf Coast University, in accordance with the Americans with Disabilities Act and the university's guiding principles, will provide classroom and academic accommodations to students with documented disabilities. If you need to request an accommodation in this class due to a disability, or you suspect that your academic performance is affected by a disability, please see me or contact the Office of Adaptive Services. The Office of Adaptive Services is located in the Wellness Building. The phone number is 239-590-7956 or Video Phone (VP) 239-243-9453. In addition to classroom and campus accommodations, individuals with disabilities are encouraged to create their personal emergency evacuation plan and FGCU is committed to providing information on emergency notification procedures. You can find information on the emergency exits and Areas of Rescue Assistance for each building, as well as other emergency preparedness materials on the Environmental Health and Safety and University Police Department websites. If you will need assistance in the event of an emergency due to a disability, please contact Adaptive Services for available services and information.

Student Observance of Religious Holidays:

All students at Florida Gulf Coast University have a right to expect that the University will reasonably accommodate their religious observances, practices, and beliefs. Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith. Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence. Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances. Where practicable, major examinations, major assignments, and University ceremonies will not be scheduled on a major religious holy day. A student who is to be excused from class for a religious observance is not required to provide a second party certification of the reason for the absence.

Video and Audio Taping of Class Lectures:

Students are not allowed to audio tape or video tape class lectures, unless the student has a documented and disclosed disability and OAS determines that audio or video taping class lectures is the best reasonable accommodation.

Applicable University Resources:

1. FGCU Catalog: <http://www.fgcu.edu/catalog/>
2. FGCU Student Guide Book: <http://studentservices.fgcu.edu/JudicialAffairs/>
3. FGCU Code of Conduct: <http://studentservices.fgcu.edu/JudicialAffairs/>

4. Information on General Education program requirements is available online at: http://www.fgcu.edu/General_Education/index.html
5. Information on integrating service-learning into the course is available online at: <http://www.fgcu.edu/Connect/>
6. Information on distance learning courses is available online at: <http://itech.fgcu.edu/distance/>
7. Information on online tutorials to assist students is available online at: <http://www.fgcu.edu/support/Approved>
8. Information on Canvas is available online at <http://canvas.fgcu.edu/> and <https://fgcu.instructure.com/courses/7692>

Library Resources:

- Main page: <http://library.fgcu.edu/>
- Tutorials & Handouts: <http://library.fgcu.edu/RSD/Instruction/tutorials.htm>
- Research Guides: <http://fgcu.libguides.com/>
- Faculty Support: http://library.fgcu.edu/faculty_index.html
- Contact Us: <http://library.fgcu.edu/LBS/about/contactus.htm>

Center for Academic Achievement:

The Center for Academic Achievement (CAA) provides academic support services to all FGCU students. Students can take advantage of our free peer tutoring and Supplemental Instruction sessions for lower-level math and science courses, as well as workshops to facilitate the development of skills necessary for college success. If you would like to participate in any of our programs, learn about tutoring services, or meet with an Academic Retention Coordinator, please visit the CAA in Library 103, call at (239) 590-7906, or visit www.fgcu.edu/caa.

Counseling and Psychological Services (CAPS) provides free counseling and therapy services (including psychiatry) to all FGCU students. Please walk in to the second floor Howard Hall office any weekday between 8:30 and 4:30 to schedule an initial contact appointment. Visit the CAPS website at www.fgcu.edu/caps for more information. CAPS offers a 24/7 Helpline at (239) 745-3277 (EARS).

Respondus Monitor – Remote, Online Exam Monitoring

In order to protect the integrity of online assessments that are delivered to students off site in a non- proctored location, this course may employ Respondus Monitor technology that will allow for the web- enabled monitoring of exams and quizzes. Students must own a computer device and an associated webcam that meet the minimum requirements of the University’s standard remote monitoring system. Additional information: Respondus Monitor overview: <http://respondus.com/products/monitor/>

Respondus LockDown Browser – Classroom and/or Remote Online Exams ^[1]_[SEP]

In order to protect the integrity of classroom or remote online exams, this course may employ Respondus LockDown Browser technology that will allow for the student’s temporary restriction to a designated online testing website, disabling the ability to print, copy, access other applications or move to any other URL for the duration of the assessment. This technology may be used on campus in University computer classrooms or for remote delivery of quizzes and exams. [For online classes only: students must own a computer that meets the minimum requirements of the University’s standard lock down browser application.] Additional information: Respondus LockDown Browser overview: <http://respondus.com/products/lockdown-browser/>

Lecture Capture Technology/FGCU Capture – Classroom Recording ^[1]_[SEP]

This course may employ technology that will allow for audio and/or video recording of live classroom sessions. This lecture capture technology is utilized for the sole purpose of enhancing student learning. It may provide for supplemental student instruction via secure links to recorded session(s), the live stream of courses, presentations of off-site guest speakers and/or the delivery of course instruction utilizing “flipped classroom” methodologies. Student questions and/or comments may be included as a part of any session being recorded. See FGCU-CAPTURE for additional details <http://acts.fgcu.edu/fgcucapture.asp>