

FIN4120 Equity Research Seminar 1 (2 MC module)

Instructor: James Cheng

Email:

Office:

Class: Thursday 8am – 11am, every other week starting August 21st.

Course Description

This course seeks to highlight and provide the rigour and skills needed for stock selection using fundamental research and how these qualitative skills are applied to portfolio management in the investment industry through a series of company research report writing.

Course Objective

The objective of this course is to provide a practical framework to students to understand the objective of fundamental stock research. The course seeks to prepare students for an investment management career by providing an understanding of what goes on in the minds of investors when they put capital to work. They will learn the skills to bridge the “certain outcome” in a school environment to the “uncertain outcome” in the real world. Apart from building financial models, student will learn the importance of understanding business models and how business create values.

Course Format

The course aims to simulate an actual “buy-side” research environment and through a series of actual company research writing, presentations and on the ground company visits, it seeks to consolidate what is learned in classes like Applied Portfolio Management, Value Investing in Asia by applying them to the research reports.

Meetings are fortnightly. Students are expected to produce one in depth company research every month in sector teams (individual assessment) and present the report in class. During classes, students are expected to participate actively in critiquing presentations of their fellow students. A total of four company reports will be presented for the course, including one on site company research report.

Guest lecturers (portfolio and analysts) will be invited to participate in the lectures to critique case and also deliver short lectures to share their experience.

Groups and case work

Students will work in teams and focus on sectors but will be generating independent company reports (3 in total). The fourth on site company visit and report will be a group project. This will be due in the last meeting.

Attendance

This is a 6-week module, students must not miss more than once but will be disadvantaged by the participation grading (absence on medical grounds supported by medical certificates or compassionate reasons not counting).

Grading

1. Tutorials 30%
2. Research Reports 35%
3. Others (fieldwork, presentations) 35%

There will be no final examination for this course.

Recommended Readings:-**Books**

1. Manias, Panics and Crashes – Charles Kindleberger
2. The Intelligent Investor – Benjamin Graham
3. Unconventional Success – David F Swensen
4. Expectations Investing – Alfred Rappaport and Micheal J. Mauboussin
5. Capital Accounts – Edward Chancellor (Marathon Asset Management)
6. The Psychology of Risk – Ari Kiev
7. Against the Gods – Peter Bernstein

Papers:

1. Performance Measurement: An Investor's Perspective, Charles M. C. Lee, Stanford University
2. Seven Sins of Fund Management, James Montier