

## **FIN4118 Equity Research Seminar (4 MC module)**

Instructor: James Cheng

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Office:

Class: Thursdays, 11am-2pm, every week (AY2016)

Venue: CAMRI Lab

### **Course Description**

This course introduces students to the skills needed for conducting 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 and portfolio positioning and construction. In addition, the course also introduces “top down approach” of portfolio management and how portfolios with multiple countries can be constructed.

### **Course Objective**

The objective of this course is to provide a practical framework for students to understand how to construct regional portfolios using a top-down macroeconomic approach and how to incorporate the fundamental stock research from the students’ stock research reports into constructing a portfolio.

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. Student will learn the importance of understanding business models and how businesses create values. They will also learn how portfolios are constructed from stocks they have analyzed.

### **Course Format**

The course aims to simulate an actual “buy-side” research environment with class discussion on how to handle country analysis and take into consideration macroeconomic factors. Students will produce research reports on actual company research writing with the objective of putting them into a real life Asian portfolio. The class will consolidate what is learned in classes like Applied Portfolio Management, Investment Analysis and Portfolio Management, Financial Modeling and Value Investing in Asia by applying them to the research reports.

Meetings are weekly. Students are expected to produce a total of 3 in depth company research and present on the report in class every 3 weeks. . During classes, students are expected to participate actively in critiquing presentations of their fellow students.

Some research ideas will be selected for implementation in the Student Managed Fund Portfolio. Students will be required to present their research to the Investment Committee (IC) comprise of CAMRI SMF Track Lecturers and selected members of JL Capital. Implementation and execution of the Asian SMF practicum project’s recommendations, if any, will take place entirely on JL Capital ‘s platform entirely at JL Capital’s discretion.

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 be assigned into teams of 3 to work on country/sector. However reports and assessments are individual efforts. The team assignment is to encourage collaboration among students and also to allow the students to benefit from more feedback from the instructor. On site company visits will be arranged subject to availability and reports will have to be written and assessed. We will arrange for meetings with management subject to availability.

### **Attendance**

This is a 12-week module. Students are not expected to miss class. Absent students will be disadvantaged by the participation grading (absence on medical grounds supported by medical certificates or compassionate reasons not counting).

### **Pre-Requisites**

Fin 3101 and (Fin3102x or Fin3130) and (Fin3130 or Fin4112). Exceptions granted on a case by case basis

### **Grading**

1. Class Participation and responds 40%
2. Research Reports and Presentation 50%
3. Others (fieldwork, presentations) 10%

There will be no final examination for this course.

Students are allowed to reference any source, but these sources must be properly referenced and acknowledged. Any work that is referenced without explicit acknowledgement will be regarded as plagiarism.

### **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
8. The Alchemy of Finance – George Soros
9. Super Forecasting – Philip Tetlock

**Papers:**

1. Performance Measurement: An Investor's Perspective, Charles M. C. Lee, Stanford University
2. Maps of bounded rationality: A perspectives on intuitive judgment and choice., Daniel Kahneman Noble Prize Lecture 2002
3. Seven Sins of Fund Management, James Montie