

# **Marquette University's Applied Investment Management Program**

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**Newsletter**

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## **2005 RISE Symposium**

*Dr. Krause and 3 students attended the investment conference at the University of Dayton*

More than 1,000 students and faculty from 132 colleges and universities, representing six countries, attended this year's RISE (Redefining Investment Strategy Education) symposium. About a third of the colleges entered the portfolio competition, in which students showcased their success in the areas of growth, value, blend, alternative and fixed-income styles of management. The top performing portfolios were determined by their 12-month risk-adjusted returns. Next year Marquette's AIM students will participate in the portfolio competition.

The RISE symposium brings leading students, faculty and investment professionals together in an interactive learning environment to discuss a range of pertinent issues facing investment professionals. Speakers included Ben Bernanke, member of the Board of Governors of the Federal Reserve System; Abbey Joseph Cohen, Chief of Investment Policy, Goldman Sachs; and Robert Froehlich, Chair of Investment Strategy, Deutsche Asset Management.

Dr. David Krause, Marquette University's AIM Director, commented, "This was an excellent conference – next year we are planning on all of our seniors in the AIM program attending. The speakers and workshops were outstanding; as well as the breakout sessions which included: macro-economic forecasts, fixed income and equity analysis, portfolio management, alternative investments, and corporate governance."

## **Investment Professionals Presenting to AIM Students**

*Outside speakers have been coming to campus*

During the months of March and April numerous investment professionals have been visiting Marquette to address the AIM students. In March, Dr. Robert Johnson, Executive Vice President of the CFA Institute, talked with the students about the CFA exam and careers in the investment industry. Mike Steppe, Brookfield Investment Partners, provided a detailed analysis of the financial services industry and Mark Zellmer, Northern Oak Capital Management, presented on the topic of alternative investments and hedge funds.

In April, Mike Blonski, Artisan Partners, discussed the internal workings of the mutual fund industry. Matt Willms, Quant IX, provided software training on equity research and portfolio reporting. Doug Fry and Matt D'Attilio of Reinhart & Mahoney Capital Management talked about their fixed income and equity management strategies.

Also appearing this semester are Barry Mendelson, Capital Market Consultants, (equity markets and career opportunities); Ronald White, Citigroup, (global fixed income); Patrick Dorsey, Morningstar, (equity research); Robert Ollech and Jon Bruss, Fortress Partners, (industry analysis); Jeff DeAngelis, Northwestern Mutual (fixed income analysis) and Dan Tranchita and Jay Schwister, Baird, (capital market trends).

## AIM Semester Projects

*Intent is to hone research skills and prepare students for summer internships*

The following ad recently appeared on a financial analysts society web site: "**Wanted - Junior Research Analyst.** *Job Duties:* Within our Midcap Growth Fund we are seeking a motivated individual who will be responsible primarily for assisting the research team in conducting financial analysis and making recommendations on individual companies within the Technology industry. The job will include data collection, statistical study on industry groups, and company financial modeling. Required Skills: College degree. Effective written and verbal communication skills. Proficiency in various computer applications including Excel spreadsheets and financial modeling. The junior research analyst is expected to progress towards the CFA designation."

The 12 students enrolled in the first Applied Investment Management course have been working on a variety of projects this semester. The intent is to have them fully prepared for their summer internships where they likely will perform duties similar to those described above. Their projects have included:

- The construction and weekly monitoring of a ten security equity portfolio versus the S&P 500.
- An oral and written presentation on a securities regulatory topic (i.e. Sarbanes Oxley).
- A detailed company analysis (including an industry and competitive analysis).
- A rigorous Excel project requiring raw data downloading, financial modeling, regression analysis, statistical testing, and web queries (including macros).
- A case study involving portfolio policy and strategy formulation, asset allocation (equity and fixed income), investment monitoring, and performance reporting.
- Books reviews of Siegel's *Stocks for the Long Run* and Dorsey's *Successful Stock Investing*.
- The development of an investment strategy screen and a 5 year backtest of its effectiveness.

## Pat Dorsey Addresses Over 100 Finance Students

On Thursday, April 21, Pat Dorsey spoke to a large gathering of finance majors on the topic of 'Stock Investing.' He is the Director of Stock Analysis for Morningstar in Chicago.

Mr. Dorsey, a Chartered Financial Analyst, writes regularly for Morningstar.com and heads up the company's team of over 80 equity analysts – who follow almost 1600 stocks. He was instrumental in developing the Morningstar rating for stocks and played a key role in building their stock coverage function. Dorsey is widely quoted in the media, including USA Today, US News and World Report, NBC Nightly News, CNBC, and CNN. He also appears weekly on the 'Bulls and Bears' financial show on the FOX News Channel. He is also the author of *The Five Rules for Successful Stock Investing*, published by Wiley.

He talked about Morningstar's analysis methodology - focusing on discounted cash flow analysis, margin of safety, and economic moats. Mr. Dorsey also emphasized their long-term approach and provided many interesting cases and observations. During the question and answer session that followed, he provided responses about the requirements to be a successful research analyst, the daily routine of an analyst, and the threats and opportunities posed by outsourcing. Many students stayed after the formal presentation ended to talk about specific stocks and career strategies.

The Applied Investment Management web site is located at: [www.busadm.mu.edu/aim](http://www.busadm.mu.edu/aim). An online brochure, the AIM curriculum, and more information about the program are available there.

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