

## **Students get their chance to manage some of Marquette's endowment fund**

**By KATHLEEN GALLAGHER**

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Late to the game but seeded with student interest, alumni support and an entrepreneurial new director, Marquette University is starting a program in which selected undergraduates will manage \$500,000 of the school's endowment fund.

The new business school offering, which Marquette is calling its Applied Investment Management program, or AIM, will begin operating next semester.

"It really is a finance major on steroids," said Cheryl Maranto, executive associate dean of Marquette's business school.

Such programs have been expanding rapidly since 1995 to about 185 currently, said David Sauer, a finance professor at the University of Dayton who runs that school's applied investment program and its annual RISE, or Redefining Investment Strategy Education, conference, one of the largest student investment conferences.

Marquette's program is among the smaller but growing number that are being offered to undergraduates, Sauer said.

Marquette in July hired academic and entrepreneur David S. Krause to be director of the new program, which will train students for careers managing stocks and bonds, said Sarah W. Peck, associate professor and acting chair of Marquette's finance department.

Students in the program will take four classes starting in the second semester of their junior year, and have a summer internship at a financial firm, Peck said. The students will manage money in two of the classes and study how to manage money in an ethical and socially responsible way in another, she said.

The students will manage the money in accordance with the Marquette endowment's guidelines, so their portfolios will be well-diversified and they won't use riskier strategies such as short selling or buying on margin, Krause said.

"Our hope is this gives undergraduates an edge," said Daniel A. Tranchita, senior vice president and senior portfolio manager at Baird Advisors, a division of Robert W. Baird & Co. Inc.

The University of Wisconsin-Madison has one of the oldest applied investment management programs in the country. Its Applied Security Analysis program - in which students manage about \$13 million of UW System endowment money and contributions from the program's alumni - has been in existence since 1970. It has produced such well-known investment professionals as William Nygren of Oakmark funds; Jeff Diermeier, CEO-elect of the CFA Institute, the national trade organization for investment managers; and Tom Madsen, global head of equities for UBS Global Asset Management.

How much money the students make is not what drives the program, said Debora Treu, director of the school's Stephen L. Hawk Center for Applied Security Analysis.

"Yes, they have benchmarks, yes, we depend on earnings to help support the program, but more important measurements are how well they implement the strategy they've devised and how competently they conduct their research rather than pure performance," Treu said.

Marquette will begin taking applications in October and accept in November as many as 12 undergraduate students for the new program, Peck said.

As for the students who two years ago began asking their business school professors for more investment training, they couldn't be happier.

"It's exceeded my expectations," said William Heard, a Marquette senior. "I was just asking for a Bloomberg terminal and more Internet."

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