Portfolio Management I, II, III
Finance 441/2/3-40
Spring 2010

Professor: Cody George
Phone: 509-994-0878
E-mail: georgerc37@hotmail.com
Office Hours: by appointment

Text: None at this time – readings will be on an as assigned basis.

Course Objectives:
1. This is a hands-on course whose primary objective is to manage the Bill and Sally Wynd portfolio and the D.A. Davidson portfolio.
2. This course will delve into the realm of modern portfolio theory and security analysis as it relates to the management of both portfolios.
3. You will be expected to participate in this class for three quarters.

Course Goals:
Our goal this quarter is to write strategies for both portfolios. As usual, we will make a presentation at the end of the quarter as to the strategy and direction of the portfolios.

The stocks that are currently part of the Wynd portfolios will be assigned to class members. Each member is responsible for tracking the stocks assigned to him/her and reporting any significant events to the class.

Grade Determination:
The following weights will be used to determine your final grade.

Class Strategy Document (Wynd or Davidson) 30%
Buy/Hold/Sell Recommendations 30%
Participation 40%

Attendance will be taken during each class session and will be a major factor in determining your participation score. A grade of 0.0 will be assigned to anyone who misses three or more class sessions.
**Resources:**
The Federal Reserve Board Beige Book (September 9\textsuperscript{th}, 2009)
http://www.federalreserve.gov/FOMC/BeigeBook
Standard and Poor’s Industry Survey
   JFK Reference
   Foley Center Library
   Spokane Public Library

**Stock Analysis Oral Presentation Process**

**Recommendation:** Begin with the name of the stock you wish to analyze and indicate at the beginning of the presentation whether you are recommending a buy, sell, or hold. Also, give a brief description of the company’s business.

**Support for you recommendation:** In your own words (in both the written and oral presentation), explain the reasons for your recommendation. How did you identify this stock? Be sure to back up your position with sound reasoning and careful research. Don’t fall into the trap of quoting extensively from other sources. Put it in your own words whenever possible. You can and should include quantitative support materials here, but be careful not to go overboard with them. What is the growth potential of the company? How high can we expect the price to go in the next 2-3 years? Don’t rely heavily on analysts’ recommendations. Remember, you should be doing your own analysis.

**Potential Problems:** The purpose of this section is to encourage you to look at the other side of your recommendation.

**If your recommendation is to buy or hold:** What could go wrong with this investment? What are the firm’s potential weaknesses? Are there any macroeconomic issues that could be a problem?

**If your recommendation is to sell:** Are there conditions that might make this stock more desirable? What is the likelihood that these conditions might come about?

**Supporting Materials:** Include copies of pertinent materials used in your analysis. If you include something here, you should reference it in your presentation.

**Questions:** Be prepared for questions from the class during your presentation. This is an important part of the decision making process. It is an important that the members of the class participate in the questioning process.

**The Vote:** All buy, sell, and hold actions will be determined by a vote of the class. I, however, have veto power over any actions the class chooses to take. The vote will take place one week after the presentation. This will give members of the class time to seriously consider the proposal before voting. It also gives the presenter time to find answers to questions that may not have been answered satisfactorily during the presentation.
Class Statement of Intent

Investment objectives:

Our goal is to increase the assets of the endowment at a rate comparable to the growth of the market (S&P 500/Dow). The investment horizon of the portfolio is long-term (2-5 years) with the focus on asset growth. In trying to match or exceed the return of the S&P 500, the portfolio’s risk tolerance is slightly higher than the index (i.e. the portfolio beta will be more than 1.0, but will not exceed 1.5 based on the S&P 500.)

Investment Strategy:

The portfolio invests in a variety of industries both domestic and global. The industry diversification fluctuates with anticipated market and economic trends. There is no limiting investment philosophy. Securities for the portfolio are selected according to their competitive strengths, relative valuations, industry dynamics, and global strategy. Principal investments are in common stocks, but any investment that meets our growth, risk, and time horizons is evaluated and voted on as a potential portfolio investment.

EQUAL OPPORTUNITY STATEMENT

No person shall, on the basis of age, race, religion, color, gender, sexual orientation, gender identity, national origin or disability, be excluded from participation in, or be denied the benefits of, or be subjected to discrimination under any program or activity of Eastern Washington University.

AFFIRMATIVE ACTION STATEMENT

Eastern Washington University adheres to affirmative action policies to promote diversity and equal opportunity for all faculty and students.

ADA STATEMENT

Eastern Washington University is committed to providing support for students with disabilities. If you are a student with physical, learning, emotional, or psychological disabilities needing an accommodation, you are encouraged to stop by Disability Support Services (DSS), TAW 124 and speak with Kevin Hills, the Manager DSS or call 509-359-6871.

ACADEMIC INTEGRITY

Any question of Academic Integrity will be handled as stated in the EWU Academic Integrity Policy. This policy is on the EWU web site. Violations will result in a course grade of 0.0.