

FIN4716 Equity Research Seminar (4 MC module)

Instructor: James Cheng

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Office:

Class: 3pm – 6pm, Tuesday, weekly

Venue: CAMRI Lab

Course Description

The primary objective of this course is to provide a practical framework for students to apply the financial and management theories they have learned in other courses to “real life” company analysis.

This course introduces students to some of the 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. Although the class is primarily focused on company analysis, portfolio positioning and construction will be discussed. Top down approach of portfolio management and how portfolios with multiple countries can be constructed are also covered through class discussions. The course format is designed to simulate work environment in an actual buy-side firm investment report writing, critique and discussions. Students will get a good idea of what many buy-side investment firms and sell-side look for.

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 have an opportunity to consolidate the theories they have learned in other finance classes into actual investment decisions.

As the stock reports/recommendations are “real life” investment ideas, the best ideas will potentially be selected for constructing an actual investment portfolio.

Course Format

Students will produce research reports with the objective of putting them into a real-life investment portfolio. The course aims to simulate an actual “buy-side” research environment with class discussions on how to query investment ideas, handle country analysis and take into considerations other factors eg macroeconomic issues. The class will consolidate what is learned in other business school classes like Applied Portfolio Management, Value Investing in Asia by applying them to the research reports they produce.

The class is designed to cater to individualized learning and learning through discussions and active participation.

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. Active class participation is part of the learning process

Guest lecturers (portfolio and analysts) will be invited to participate in the lectures to critique cases 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 assignments are for encouraging collaboration among students and to allow the students to benefit from more feedback from the instructor.

Attendance

This is a 13-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).

Grading

1. Class Participation and responds 40%
2. Individual Research Reports and Presentation 50% (**Presentation will be graded**)
3. Others (fieldwork, ad hoc assignments) 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 (please read the section on Academic Honesty and Plagiarism)

Recommended Readings:-

Books

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

Papers:

1. Performance Measurement: An Investor's Perspective, Charles M. C. Lee, Stanford University
2. MAPS OF BOUNDED RATIONALITY: A PERSPECTIVE ON INTUITIVE JUDGMENT AND CHOICE, Daniel Kahneman Noble Prize Lecture 2002
3. Seven Sins of Fund Management, James Montier

ACADEMIC HONESTY & PLAGIARISM

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. **In case of any doubts, you should consult your instructor.**

Additional guidance is available at:

<http://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct>

Online Module on Plagiarism:

<http://emodule.nus.edu.sg/ac/>