FINAN461: Portfolio Performance Measurement
Boise State University
Department of Marketing and Finance

Instructor: Scott Roark
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(for emails, include Fin461 in subject)

Course: FINAN 461
Semester: Spring 2016
Time: T/Th 9-10:15
Room: MBEB 2012
Prerequisites: FINAN 303, FINAN460

Textbooks and Reading Material:
Required: StockTrak subscription
Recommended: Valuation: Measuring and Managing Value of Companies (Koller et al)
Recommended: Pioneering Portfolio Management (Swensen)
Recommended: Investment Valuation (Damodaran)
Recommended: Applied Equity Analysis (English)

Course Description and Objectives:
This is an applied course where students manage a portfolio of stocks, mutual funds and bond investments to generate a return to be used to fund scholarships and software to support future generations of finance students. Students learn to perform portfolio attribution analysis and benchmark portfolio returns using financial databases.

Expected Student Outcomes:
By completing this course, students will be able to:
- Effectively use the Bloomberg software in the trading room
- Understand how to value businesses using a variety of methodologies
- Make informed investing decisions that accomplish the return goals within appropriate risk levels
- Construct a well-diversified and efficient portfolio
- Measure performance of investments (return and risk)
- Report on investment performance in a professional manner

Course Structure:
The course is organized principally around investment related activities. The class will make investment decisions for a stock and bond portfolio using sound principles and thorough analysis. The class will not have a rigid structure or schedule, but there will be expectations on the timing and quality of student deliverables. In many ways, this will be a student directed learning environment with the instructor acting as a guide. Some specific outcomes for the semester include:
1. Prepare an investment policy statement that describes the parameters within which the class will make investment decisions
2. Prepare individual reports on investment recommendations
3. Prepare credit analysis reports on bond investment recommendations
4. Prepare periodic updates on news from the markets and the impact on the various portfolios
5. Prepare monthly reports and an end-of-semester report on the portfolios
6. Consistently attend class and other events (CFA Society)
7. Complete the Bloomberg Market Concepts (BMC <GO>) and other training as applicable
8. Prepare an organized manual of helpful Bloomberg functions with descriptions and directions
Grade Determination

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<td>Bloomberg</td>
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<td>Reporting</td>
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<td>Assignments</td>
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<td>Class Participation</td>
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<td>Individual Project</td>
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Bloomberg
Students will be expected to develop their skills in using the Bloomberg database during the semester. A significant portion of this is completing the Bloomberg Market Concepts training and passing the online tests. In addition, students will be expected to explore the Bloomberg software and periodically report on useful functions and give demonstrations of how to use various parts of Bloomberg. A portion of the Bloomberg grade for each person will be the Bloomberg manual you compile by the end of the semester.

Reports
Students will have a variety of reports to work on during the semester related to the group’s investment activities. We will set periodic deadlines and monitor the performance of the various portfolios. Part of the reporting function is to prepare credit analysis for bond investment decisions. A group report will be required by the end of the semester to report on the performance of the portfolios.

Assignments
There will be periodic assignments that are related to the class. Many of them will be on a Pass/Fail basis. You are expected to put in diligent effort in all you do, and ultimately you will get out of this class as much as you “invest”.

Class Participation
This is an important part of the class. Each of you is expected to come to class prepared and to participate actively in class discussions, presentations, attendance of guest speaker events, etc.

Individual Project
The instructor and student will agree on the scope of a project to be completed during the semester. The project will leverage the student’s goals and interests while still meeting the objectives of the class.
Tentative Schedule / Topics

Introduction / Overview – Bloomberg kickoff
Valuation Overview – DDM / FCF Valuation
Mutual Fund/ETF Analysis
Practitioner Interview
Portfolio Performance Measurement – Intro
Asset Allocation
Bond Valuation & Investment Strategies
Portfolio Performance Measurement – Reporting
Valuation Project (short/full analysis)

College of Business and Economics
Core Curriculum Student Learning Goals and Objectives

Students in this class will learn or practice the following COBE Core Curriculum concepts, methods, and skills:

1. Understand and apply analytical and disciplinary concepts and methods related to business and economics:
   - 1.1. Accounting
   - 1.2. Business Policy and Strategy
   - 1.3. Economics
   - 1.4. Finance
   - 1.5. Information Technology Management
   - 1.6. International environment of business
   - 1.7. Legal environment of business
   - 1.10. Mathematics & Statistics

- 2.1. Communicate effectively: Write messages and documents that are clear, concise, and compelling
- 2.2. Communicate effectively: Give oral presentations that use effective content, organization, and delivery
- 3. Solve problems, including unstructured problems, related to business and economics
- 4. Use effective teamwork and collaboration skills
- 5. Demonstrate appropriate principles of responsible business practices
  - 5.1 Resolve issues related to Individual Responsibility (Business Ethics)
  - 5.2 Resolve issues related to Corporate Social Responsibility
  - 5.3 Resolve issues related to Leadership Responsibility (Corporate Governance)
  - 5.4 Resolve issues related to Environmental Responsibility (Environmental Sustainability)
  - 5.5 Resolve issues related to Cultural Responsibility (Diversity)