

**FINA 7397**  
**Investment and Portfolio Management Project**  
**6 Credit Hours**  
**Thursday, 6-9 pm, Spring 5 2021**  
**Pre-requisite: FINA 7A10 (Valuation)**

**Instructor: Rob Shoss, MBA/JD**  
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**Phone number: 832-771-6367**

### **Course Content**

This course is designed to help students learn key concepts to invest in equities. It is purposely structured to be practical with lessons that should be applicable for decades. In the process of learning about equities, students will learn content that will be useful to better evaluate a business regardless of whether they pursue an investment career. Specifically, students will develop invaluable skills such as better understanding valuation, capital allocation decisions, ways to judge management's effectiveness and decision making...We will also be making the material topical as we will have ongoing, weekly discussions about current, important investment events and news, why it's important and what to do about it.

This course will offer you the opportunity to simulate working as a buy-side financial analyst with an investment company. Along those lines, this course is rife with opportunities to discuss current, relevant investment topics such as whether retail stocks are value opportunities or traps and how to manage money with today's ongoing geopolitical issues. Expectations are that students will be highly interested in learning about equities and are willing to work hard to accomplish that goal.

The course will provide you an opportunity to select stocks, construct an equity portfolio and manage a diversified "virtual investment fund". Specifically, topics to be addressed include the following: what drives stock prices, determining what investment style fits you, learning about quantitative tools and ways to objectively screen stock universes, valuing stocks, understanding behavioral finance and risk management, learning about previous stock market manias and panics, exploring macro vs. micro investing, evaluating capital allocation, identifying and judging competitive moats, evaluating management competency, learning about selling stocks and portfolio diversification, distinguishing between value and value traps, exploring international, small-cap and mid-cap stocks and evaluating different sectors such as consumer staples, consumer cyclicals, technology, health care and heavy cyclicals.

A unique aspect of this 6-hour course will be its experiential component. Students will simultaneously with learning the integral factors of being a buy-side equity analyst, benefit from creating, trading and managing a “virtual” portfolio. Thus, students will be taking theory from the class and expressing and applying it via Stock Trak, a website offering global portfolio simulation.

### **What are the teaching methods for the Virtual Investment Fund course?**

This course includes considerable classroom discussion, debate and dialogue. Additionally, there will be power-point presentations. Students will have the opportunity to explore real-world situations, evaluate and debate current investment topics and stock controversies. Guest lecturers are also widely used to provide real-life expertise on important equity topics.

### **Who is the instructor?**

Robert Shoss has over 20 years of investment experience as he worked as a senior portfolio manager for both AIM/Invesco and Twinhawk Capital, a global, long-short hedge fund. In addition, presently, he serves on three non-profit investment committees including chairing an investment committee with a \$200 million dollar endowment. Currently, he’s a private investor. Robert has a JD/MBA from UH and has taught Personal Financial Planning since 2014 and will teach a new course to be offered this spring, Macroeconomics and Investment Management.

### **Books to be used:**

*The Most Important Thing Illuminated* by Howard Marks (MIT)

*Why Stocks Go Up (and Down)* by William Pike (WSGU)

### **Supplemental reading, resources and websites:**

Stocktrak.com for building, trading and managing your “virtual investment fund”

*The Little Book of Valuation* by Aswath Damodaran

*Manias, Panics and Crashes* by Charles P. Kindleberger and Robert Z. Aliber

Bloomberg Market Concepts/Equities

Capital IQ

Bloomberg Terminals

www.morningstar.com, www.marketwatch.com, www.gurufocus.com, *The Wall Street Journal*, *Barron’s*, handouts, articles and videos

## Grades:

25% of grade: Participation, based on deliberate, thoughtful participation. It's quality, not quantity. Participation involves attending, actively engaging in discussions, debates and providing value-added input.

15% of grade: Individual assignment(s) throughout the session.

60% of grade: End of year stock and portfolio project and presentation.

<b>Class</b>	<b>Materials Covered</b>	<b>Topics</b>
<b>Week 1</b>	Handouts <i>MIT</i> -Chapter 1, 2 <i>WSGU</i>	Discussion of my background and goals and expectations for class; exploration of state of sell-side and buy-side industry including active and passive management, ETFs and secular changes; articulation of required characteristics to successfully select stocks; discussion of what drives stock prices
<b>Week 2</b>	Handouts <i>MIT</i> -Chapter 3	Discussion of different investment styles including growth, core and value; help students understand differences and better determine what kind of investor they are
<b>Week 3</b>	Handouts, Damodaran's book(s) <i>MIT</i> -Chapter 4	Focus on valuation, including both relative and absolute valuation; guest lecturer
<b>Week 4</b>	Handouts	Focus on quantitative screening, objectively filtering a stock universe; discussion of

		benefits and detriments of quant investing; brief technical analysis discussion; guest lecturer
<b>Week 5</b>	Video, Handouts <i>MIT</i> -chapters 10, 18	What is behavioral finance and why is it important; key to success is avoiding mistakes
<b>Week 6</b>	Handouts	Making capital allocation decisions, evaluating and understanding importance of management, recognizing and measuring competitive moats

<b>Week 7</b>	Handouts <i>MIT</i> -Chapters 5, 6, 7	Understanding what risk is and how to manage it; guest lecturer
<b>Week 8</b>	Handouts	Focus on diversification, trading, selling stocks and a variety of other important portfolio management topics
<b>Week 9</b>	Handouts	Student stock presentations to have stocks purchased or sold from buy-side portfolios; students will debate both bull and bear cases
<b>Week 10</b>	Handouts	Stock presentation debriefing
<b>Week 11</b>	Handouts	Discussion of different market capitalizations and international investing; understanding unique aspects and pros and cons of them; guest lecturer
<b>Week 12</b>	Handouts <i>MIT</i> -chapters 8, 9	Examining macro vs. micro investing, what factors specifically to consider and why it's important; pros and cons of each method; distinguishing between value vs. value traps
<b>Week 13</b>	Handouts	

**Week 14**

Handouts

Review of history, manias, crashes and lessons to be applied; what are common characteristics to identify future bubbles and great opportunities

Review of specific growth sectors including technology, health care and consumer discretionary; guest lecturer

**Week 15**

Review of specific value sectors such as financials, cyclicals and some commodity areas; guest lecturer

**Final**

Student presentations; final project-industry analysis including thorough discussion of most important issues affecting industry and stocks, favorite and least favorite stocks from industry; question and answer session to prove industry expertise

## **Updated Information With Covid**

### Excused Absence Policy

Regular class attendance, participation, and engagement in coursework are important contributors to student success. Absences may be excused as provided in the University of Houston [Undergraduate Excused Absence Policy](#) and [Graduate Excused Absence Policy](#) for reasons including: medical illness of student or close relative, death of a close

family member, legal or government proceeding that a student is obligated to attend, recognized professional and educational activities where the student is presenting, and University-sponsored activity or athletic competition. Under these policies, students with excused absences will be provided with an opportunity to make up any quiz, exam or other work that contributes to the course grade or a satisfactory alternative. Please read the full policy for details regarding reasons for excused absences, the approval process, and extended absences. Additional policies address absences related to [military service](#), [religious holy days](#), [pregnancy and related conditions](#), and [disability](#).

### Recording of Class

Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor. If you have or think you may have a disability such that you need to record class-related activities, please contact the [Center for Students with DisABILITIES](#). If you have an accommodation to record class-related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. Classes may be recorded by the instructor. Students may use instructor's recordings for their own studying and notetaking. Instructor's recordings are not authorized to be shared with *anyone* without the prior written approval of the instructor. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.

### Resources for Online Learning

The University of Houston is committed to student success, and provides information to optimize the online learning experience through our [Power-On](#) website. Please visit this website for a comprehensive set of resources, tools, and tips including: obtaining access to the internet, AccessUH, and Blackboard; requesting a laptop through the Laptop Loaner Program; using your smartphone as a webcam; and downloading Microsoft Office 365 at no cost. For questions or assistance contact [UHOnline@uh.edu](mailto:UHOnline@uh.edu).

### UH Email

Email communications related to this course will be sent to your [Exchange email account](#) which each University of Houston student receives. The Exchange mail server can be accessed via Outlook, which provides a single location for organizing and managing day-to-day information, from email and calendars to contacts and task lists. Exchange email accounts can be accessed by logging into Office 365 with your CougarNet credentials or through Access UH. Additional assistance can be found at the [Get Help](#) page.

### Webcams

Access to a webcam is required for students participating remotely in this course. Webcams must be turned on (*state when webcams are required to be on and the academic basis for requiring them to be on*). (Example: *Webcams must be turned on during exams to ensure the academic integrity of exam administration.*)

## Honor Code Statement

Students may be asked to sign an honor code statement as part of their submission of any graded work including but not limited to projects, quizzes, and exams: *"I understand and agree to abide by the provisions in the (select: [University of Houston Undergraduate Academic Honesty Policy](#), [University of Houston Graduate Academic Honesty Policy](#)). I understand that academic honesty is taken very seriously and, in the cases of violations, penalties may include suspension or expulsion from the University of Houston."*

## Helpful Information

**COVID-19 Updates:** <https://uh.edu/covid-19/>

**Coogs Care:** <https://www.uh.edu/dsaes/coogscare/>

**Laptop Checkout Requests:** <https://www.uh.edu/infotech/about/planning/off-campus/index.php#do-you-need-a-laptop>

**Health FAQs:** <https://uh.edu/covid-19/faq/health-wellness-prevention-fags/>

**Student Health Center:** <https://uh.edu/class/english/lcc/current-students/student-health-center/index.php>