

FINA 7323 – APPLIED EQUITY FUND MANAGEMENT

(a.k.a. COUGAR INVESTMENT FUND)

Fall 2024, Spring 2025 & Summer 2025 (3 semesters, 9 credits)

Prerequisites: FINA 6A35 and FINA 7A10

Mode: In-person

Instructor: Professor Thomas J. George, PhD

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General

Students in the **Applied Equity Fund Management** course are the security analysts and portfolio managers for the [Cougar Investment Fund](#). As teams of analysts and portfolio managers, students will build valuation models, make security selections, monitor compliance with fund objectives, and perform the monitoring and reporting duties necessary in the management of a private investment fund. This experience requires that students synthesize and apply all the main skills covered in the other graduate courses in Finance. Class meetings often involve lecture material or speakers. Students should plan for significant outside time to be spent on work for the Fund.

Grades are based upon scores that students earn on written quizzes, written valuation reports, design and delivery of stock pitch presentations, fund level presentations, and other assignments as are needed to effectively manage the fund and report to the board and investors. Grades also depend on students' contributions to the functioning of their team as reported by their team leaders, as observed by the instructor, and possibly as assessed by peer evaluation.

The **class calendar** for the fall semester is attached.

Reading Material

- **A Random Walk Down Wall Street** (by Malkiel), and **Thinking Fast and Slow** (by Kahneman), provide foundational knowledge. The first book presents the efficient markets view of investing. It explains why security analysis is hard and not likely to succeed. The second book lays the groundwork for the behavioral biases that provide some hope for profiting from security analysis. This book goes well beyond investing, and toward being ‘user manual’ for humans who have to interact and communicate with other humans. Kahneman’s book is also beautifully written. Both books are classics.
- **Narrative and Numbers – The Value of Stories in Business** (by Damodaran) describes very well the general skills we want you to develop in the Cougar Fund. Read it to grasp the framework he describes of the analysis process, not so much the details of modeling. We will take up the details in the fall semester. **A Concise Guide to Macroeconomics** (by Moss) lives up to its title. It provides the essential ideas of macroeconomics in style that is easy to follow and that can be read in a weekend. This book will help you with market roundups. It is also required reading for the macro-for-investing course at Bauer.
- **The CIF Operations Manual** explains how we are organized, governed, and managed, and the guidelines and constraints we follow in managing the CIF.
- **The CIF Code of Ethics** must be understood, agreed to, and adhered to in order for students to be allowed to manage the Cougar Investment Fund.

UH Information and Policies

Mental Health and Wellness Resources

The University of Houston has a number of resources to support students’ mental health and overall wellness, including [CoogsCARE](#) and the [UH Go App](#). UH [Counseling and Psychological Services \(CAPS\)](#) offers 24/7 mental health support for all students, addressing various concerns like stress, college adjustment and sadness. CAPS provides individual and couples counseling, group therapy, workshops and connections to other support services on and off-campus. For assistance visit uh.edu/caps, call 713-743-5454, or visit a [Let’s Talk](#) location in-person or virtually. [Let’s Talk](#) are daily, informal confidential consultations with CAPS therapists where no appointment or paperwork is needed.

Need Support Now?

If you or someone you know is struggling or in crisis, help is available. Call CAPS crisis support 24/7 at 713-743-5454, or the National Suicide and Crisis Lifeline: call or text 988, or chat 988lifeline.org.

Title IX/Sexual Misconduct

Per the UHS Sexual Misconduct Policy, your instructor is a “responsible employee” for reporting purposes under Title IX regulations and state law and must report incidents of sexual misconduct (sexual harassment, non-consensual sexual contact, sexual assault, sexual exploitation, sexual intimidation, intimate partner violence, or stalking) about which they become aware to the Title IX office. Please know there are places on campus where you can make a report in confidence. You can find more information about resources on the Title IX website at <https://uh.edu/equal-opportunity/title-ix-sexual-misconduct/resources/>.

Reasonable Academic Adjustments/Auxiliary Aids

The University of Houston is committed to providing an academic environment and educational programs that are accessible for its students. Any student with a disability who is experiencing barriers to learning, assessment or participation is encouraged to contact the Justin Dart, Jr. Student Accessibility Center (Dart Center) to learn more about academic accommodations and support that may be available to them. Students seeking academic accommodations will need to register with the Dart Center as soon as possible to ensure timely implementation of approved accommodations. Please contact the Dart Center by visiting the website: <https://uh.edu/accessibility/> calling (713) 743-5400, or emailing jdcenter@Central.UH.EDU.

The [Student Health Center](#) offers a Psychiatry Clinic for enrolled UH students. Call 713-743-5149 during clinic hours, Monday through Friday 8 a.m. - 4:30 p.m. to schedule an appointment.

The [A.D. Bruce Religion Center](#) offers spiritual support and a variety of programs centered on well-being.

The [Center for Student Advocacy and Community \(CSAC\)](#) is where you can go if you need help but don't know where to start. CSAC is a “home away from home” and serves as a [resource hub](#) to help you get the resources needed to support academic and personal success. Through our [Cougar Cupboard](#), all students can get up to 30 lbs of FREE groceries a week. Additionally, we provide 1:1 appointments to get you connected to on- and off-campus resources related to essential needs, safety and advocacy, and more. The [Cougar Closet](#) is a registered student organization advised by our office and offers free clothes to students so that all Coogs can feel good in

their fit. We also host a series of cultural and community-based events that fosters social connection and helps the cougar community come closer together. Visit the CSAC homepage or follow us on Instagram: @uh_CSAC and @uhcupbrd. YOU belong here.

Women and Gender Resource Center

The mission of the [WGRC](#) is to advance the University of Houston and promote the success of all students, faculty, and staff through educating, empowering, and supporting the UH community. The WGRC suite is open to you. Stop by the office for a study space, to take a break, grab a snack, or check out one of the WGRC programs or resources. Stop by Student Center South room B12 (Basement floor near Starbucks and down the hall from Creation Station) from 9 am to 5 pm Monday through Friday.

Academic Honesty Policy

High ethical standards are critical to the integrity of any institution, and bear directly on the ultimate value of conferred degrees. All UH community members are expected to contribute to an atmosphere of the highest possible ethical standards. Maintaining such an atmosphere requires that any instances of academic dishonesty be recognized and addressed. The [UH Academic Honesty Policy](#) is designed to handle those instances with fairness to all parties involved: the students, the instructors, and the University itself. All students and faculty of the University of Houston are responsible for being familiar with this policy.

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 [Justin Dart, Jr. Student Accessibility Center](#). 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.

Cougar Fund Schedule Fall 2024

leads market roundup

week	date	work due to turn in	class activities	team activities	additional comments
1	pre-class	Write individual business summaries for KDP			
Sat	17-Aug	T1 for KDP due to SPMs for feedback by noon			
About here	About here	SPMs choose stock #2			
2	22-Aug		TG to review Accounting, and connection to CapIQ	Discuss structure of T1, get teams started on gathering data for KDP, set monitoring and stock assignments	
Sat	24-Aug	Revised T1 for KDP due to SPMs for feedback by noon			
3	29-Aug	Study Videos 1.0 - 1.8 on Microsoft Teams for FINA 7323	Ethics and Fiduciary Responsibilities <i>Jim Coppedge, Esq.</i> Followed by q/a for Videos 1.1 - 1.8 and exercise like quiz	Pitch monitoring stocks to teams.	Jim asked on 8/12; confirmed 8/15
4	5-Sep	<study for quiz> Read 10-K for Team-Stock #2 and produce preliminary business summary	Valuation Quiz Lecture 2.1 & Building CIF Model	Discuss Business Summaries for Team-Stock #2, populate templates for KDP, Team-Stock #2 and Individual-Stock #3	
5	12-Sep	Study Video 2.2 on Microsoft Teams T1 for stock #2 to SPMs and teams due in class	KDP data into CIF model, external data to use for forecasting, and preliminary analysis for thinking about the path forward for KDP.	Discuss T1s for Team-Stock #2, and KDP as needed, discuss approaches to thinking about what the future of KDP will be for the team analysis	
Sat	14-Sep	Revised T1 for Team-Stock #2 due to SPMs by noon			
6	19-Sep	T1 & T2 for KDP to share with team due in class	Tom's valuation of KDP	Get SPM feedback on T1s for Team-Stock #2, and discuss T1 & T2 for KDP. Solidify team approach to forecasting KDP.	
Sat	21-Sep	Revised T1 & T2 for KDP "and" Revised T1 for Team-Stock #2 to SPMs by noon			
About here	About here	Screening for stock #3 - Virtual	SPMs only		
Wed		Screening choices due from SPMs to TG by 9am			
7	26-Sep		Presentation Skills 1: Will Davis - JPM Capital	Begin market roundups. Discuss T2 for Team-Stock #2. Come to team consens on a "team" analysis of KDP and combine into one. Write T3 for KDP team analysis.	Will asked 8/12
Sun	29-Sep	Submit "team" KDP analysis T1 - T3 due to TG on Microsoft Teams by 9am			smv
Wed	2-Oct	Submit final "team" KDP analysis due to TG on Microsoft Teams by 5pm			
8	3-Oct		KDP pitch presentations - one presentation per team, each team member presents a piece		Judges: Justyn & Abid
Sat	5-Oct	Revised T1 and T2 for Team-Stock #2 due to teams and SPMs for feedback by noon			Asked on 8/12; confirmed 8/12
9	10-Oct	Put final touches on Team-Stock #2 , Read 10-K for Individual-Stock #3 ; work on forecasting	Speaker: Ed, Jody, Nicki on corp fin careers	Resolve open issues with Team-Stock #2	All asked 8/12; also offered Oct 17th. Nicki & Jody confirmed for 10/10
Sun	13-Oct	Complete packet (incl T3) for Team-Stock #2 due to TG on Microsoft Teams by 9am			
Wed	16-Oct		BOM meeting @ 4pm - Presenter = ??		
10	17-Oct	Prelim T1 for Individual-Stock #3 to SPMs & team due in class	Presentation Design & Delivery 2: Alejandro Sanoja - 2hrs	Discuss T1 for Individual-Stock #3	Ale asked 8/12 to reserve 10/10 and 10/17; confirmed
Sat	19-Oct	Revised T1, and prelim T2 for Individual-Stock #3 due to teams and SPMs for feedback by noon.	Following Team-Stock #2, a Saturday 'model day' for people to share experiences, tricks, and questions.		
11	24-Oct	Virtual Meeting	Speakers: Luis Lugo (Mercuris) and Kyle Ford (Shell) - Trading and Operations; followed by Market Roundup and SPM meeting		Luis and Kyle asked 8/12; confirmed 8/14
Sat	26-Oct	Revised T1, and T2 for Individual-Stock #3 due to teams and SPMs for feedback by noon.			
28th, 29th, or 30th?	?	6pm - 8pm? St Arnold's Brewery, 2000 Lyons Ave, 77020	St. Arnold's Networking Social - Optional		lmv?
Tues	29-Oct	Finalized packet for Team-Stock #2 due to TG on Microsoft Teams by 5pm			
12	31-Oct	Halloween	no class	10/30 or 10/31 SPMs meet to make trade decisions on Team-Stock #2	
Sun	3-Nov	Complete packet (incl T3) for Individual-Stock #3 due to TG on Microsoft Teams by 9am.			
Wed	6-Nov	Analysis Packet (incl T3) for Individual-Stock #3 to be pitched due to TG on Teams by 5pm (see note 2)			
13	7-Nov		Individual stock pitch presentations		Ed & Jody asked on 8/12; both confirmed on 8/16
Wednesday	13-Nov	Finalized packet for Individual-Stock #3 due to TG on Teams by 5pm			
14	14-Nov	Fund presentation presenters begin practicing on their own	SPMs Only	SPMs meet to make trade decisions on Individual-Stock #3	
Sunday	17-Nov		Alejandro S - practice for fund presentation - presenters required, all welcome	none	Ale asked 8/12; confirmed
15	Thurs, 11/14		6pm fund presentation - everyone (see note 3) - 416 & 408 Insperity	People - , Process - , Performance - , Stocks -	Hisham confirmed 8/23
	Thu, 11/28	Thanksgiving	no class		