



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

## Investment Strategies and Philosophies

Busfin: 4225

### Course Description and Syllabus

**Instructor:** Matt Sheridan, CFA

**Lecture:** Tu Th 8:00 – 9:20 a.m. in SB300

Tu Th 9:35 – 10:55 a.m. in SB315

**Office:** 306 Fisher Hall    **Phone:** 614-688-1297    **Office Hours:** Mon Wed 1:30-3 p.m.

**Email:** sheridan.146@osu.edu    **Course Twitter handle:** @Sheridanfinance

### Course Description:

This course is designed to uncover different investment strategies, reveal the beliefs that underlie each one, provide evidence on whether the strategies actually produce results, and what an investor needs to understand in order to implement a philosophy. The strategies covered include value investing, growth investing, technical analysis, market timing, arbitrage, fixed income total return/unconstrained, as well as various hedge fund strategies. The course will also highlight the investment philosophies of prominent investors that have achieved long-term investing success.

Prerequisites: Busfin 4211 & 4221

### Text and Materials (Required):

*Investment Philosophies*, 2nd Edition: Successful Strategies and the Investors Who Made Them Work by Damodaran

The Wall Street Journal - [www.wsj.com/studentoffer](http://www.wsj.com/studentoffer)

Additional Course Materials will be posted on Carmen.

### Course Schedule:

The following schedule is tentative and subject to change based on how the class progresses.

Week	Topic	Reading
1	Categorizing and Developing Investment Philosophies Assessing and Measuring Risk in the Equity Market	Ch 1 & 2
2	Bloomberg Training Investor Policy Statement	Listed on Carmen
3	Basics of Valuation Review Implications of Trading Costs and Taxes	Ch 4 & 5
4	Testing Investment Strategies Technical Analysis Strategies and Empirical Evidence	Ch 6 & 7 Project 1 Due 9/14 Quiz 1 Due 9/17 at 10 p.m.
5	Value Investing Philosophy Creating Value Screens on Bloomberg and Capital IQ Ben Graham , Warren Buffett, Charlie Munger, Bill Miller, & Seth Klarman	Ch 8

6	Growth Investing Philosophy: Small Cap and Growth Investing Creating Growth Screens on Bloomberg and Capital IQ Peter Lynch, Philip Fisher, & John Templeton	Ch 9
7	Trading on Market Moving News and Information Momentum Strategies, Timing the Market, and Impact of Leverage	Ch 10 & 12 Quiz 2 Due 10/8 at 10 p.m.
8	Midterm on 10/10 Autumn Break – No Class 10/12	
9	The Case for Indexing Jack Bogle and David Booth	Ch 13 Project 2 Due on 10/19
10	The Essence of Arbitrage Introduction of Hedge Fund Strategies	Ch11 Q3 Due 10/29 at 10 p.m.
11	Hedge Fund Strategies: Global Macro, Event Driven, Long/Short Equity Ray Dalio, Paul Tudor Jones, David Tepper, George Soros, Stan Druckenmiller, Leon Cooperman, Ken Griffin, and James Chanos	Listed on Carmen
12	Hedge Fund Strategies: Merger Arbitrage & Relative Value John Paulson, Paul Singer, and Daniel Och	Listed on Carmen
14	Hedge Fund Strategies: Activist, Quantitative, Fund of Funds Carl Icahn, Bill Ackman, Cliff Asness, and Jim Simons	Listed on Carmen Q4 Due 11/19 at 10 p.m.
14	Fixed Income Investment Strategies: Distressed Securities, Directional Debt, Absolute Return Bill Gross, Howard Marks, & Jeff Gundlach	Listed on Carmen
15 & 16	Pulling it all together: Asset Allocation and Choosing an Investment Philosophy	Ch 14 Project 3 Due on 11/30
	Final Exam based on University Schedule (found on OSU's website)	

### **Class Format:**

This class meets twice per week. I will follow the flow of topics and concepts in the book selectively. The course will heavily rely on market moving news and events. During lectures you will be exposed to Bloomberg, which is the most powerful investor tool in the world. Regular class attendance is expected since material will be covered that is not in the text book. Please feel free to ask questions during lecture. Lecture notes will be on Carmen at least 24 hours in advance of class. I will also use Carmen to distribute emails to the class and post supplemental information.

Solving end of chapter problems is essential for success in this class. For each chapter I will post a recommended list of problems. These problems are representative of what you might see on an exam or quiz, but it is not an exhaustive list.

### **Grading:**

Projects	40%
Quizzes	10%
Mid-term Exam	25%
Final	25%

No extra credit offered. Grades will be determined at the end of the term. Any curve, if there is one, is set at that time.

**Projects:**

Project	Description	Group	Grade Weight
1	Investor Policy Statement	No	10%
2	Investment Screening & Back Testing	Yes	15%
3	Investment Philosophies Prospectus	Yes	15%

In-depth project instructions will be posted on Carmen. Based on the amount of research and analysis required, it is recommended (but not required) to work in a group on projects two and three.

**Quizzes:** There will be 4 quizzes but only 3 will be used in your final grade. You may drop your lowest quiz score. The quizzes can be found under the Quizzes tab in Carmen. Please note the due date and time for each quiz. If you do not complete the quiz by the due date deadline, you will not receive partial credit. No quiz extensions or make-ups will be offered.

**Midterm Exam and Final:** Exams are closed book. Absences from exams will only be excused for the most serious of reasons and documented by an appropriately accredited professional (i.e., a medical doctor).

**Optional Trading Simulation:** You will have the ability to test any investment strategy on the Think or Swim platform via TD Ameritrade U. Information on creating an account will be posted on Carmen early in the semester. You will also have access to some of the most powerful investor tools in the world (Bloomberg, Capital IQ, and Thomson Reuters).

**Students with Disabilities:**

The Office of Disability Services verifies students with specific disabilities and develops strategies to meet the needs of those students. Students requiring accommodations based on identified disabilities should contact me at the beginning of the semester to discuss his or her individual needs. All students with a specific disability are encouraged to contact the Office of Disability Services to explore the potential accommodations available to them.

**Academic Integrity:**

All students enrolled in this course are responsible for abiding by the guidelines outlined in the University's Code of Student Conduct. According to University Rule 3335-31-02, **all suspected cases of academic misconduct will be reported to the Committee on Academic Misconduct.** The sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University.

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute "Academic Misconduct." The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and

possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct

**Disenrollment:**

Fisher College University Rule 3335-8-33 provides that a student may be disenrolled after the third instructional day of the quarter, the first Friday of the quarter, or the student's second class session of the course, whichever occurs first, if the student fails to attend the scheduled course without giving prior notification to the instructor.

**NOTE: The University and College expectation is that students spend two hours outside of class for every hour spent in class. Since this course meets 3 hours per week, you should expect to spend 6 hours per week outside of class on course-related work.** Thus, you should be spending at least six hours per week outside of class on this course alone. That time should be spent reading the required material, taking notes on what you were reading, rewriting your class notes, meeting with class colleagues in going over what you have learned, working on homework problems, reading current investment news to see how concepts learned tie into the course, and thinking about how the course concepts tie together.