AGENDA

☐ General Information

☐ Members & Responsibilities

☐ Application Process

☐ Q & A
Created as part of the Smith Fellows program targeting high-achieving undergraduate finance majors

Opportunity to research real companies and manage a portfolio of real money

Modeled after MBA Mayer Fund
FUND OVERVIEW

- Year-long, advanced finance course available to senior finance majors
- Twelve students will be selected to participate on the fund
  - 2 Portfolio Managers
  - 10 Analysts
- $1 Million+ real University money
Learning Experience

Topics to be discussed include:
- Portfolio Management Theory and Practice
- Security Screening and Selection
- Economic and Industry Analysis
- Corporate Qualitative and Financial Analysis
- Valuation Analysis
- Trading Strategies

At the end of the year-long commitment, Fund members will present their performance to Fund donors and the Dean.
Investment Strategy

- “Top down” approach
- GARP (Growth At a Reasonable Price)
- Target allocations across ten sectors
- Fund Goals:
  - Capital appreciation and preservation
  - Education
  - Enhance school’s reputation
Run by a selected group of 12 seniors with various finance career goals

Students will be selected by the current Senbet Fund members based on several criteria including:
- Analytical abilities
- Communication skills
- Commitment
Benefits for Students

- Exposure to a real-life asset management environment
- Financial modeling skills
- Fulfillment of senior-level finance elective (BMGT449F) – 6 credits in total
- Attractive experience to employers
- Opportunities to network with previous fund members
- Annual New York trip
SENBET OFFER HISTORY

Morgan Stanley
Huron Consulting Group
Wells Fargo
Point 72
J.P. Morgan
PricewaterhouseCoopers
Deutsche Bank
UBS
Bank of America
Merrill Lynch
Stifel Nicolaus
Deloitte Consulting
KPMG
Barclays
Goldman Sachs
American Capital
BlackRock
EY
BCG
The Boston Consulting Group
MEMBERS & RESPONSIBILITIES
**Fund Organization**

- **Portfolio Managers (2):**
  - Marketing and External Relations
  - Performance

- **Equity Analysts (10):**
  - Basic Materials
  - Industrials
  - Consumer Discretionary
  - Consumer Staples
  - Energy and Utilities
  - Financials
  - Health Care
  - Technology
  - Telecommunications
PORTFOLIO MANAGER RESPONSIBILITIES

- Run meetings
- Facilitate buy / sell / hold decisions
- Track the economy
- Track performance
- Manage external relations
- Oversee brokerage accounts
- Budgeting responsibilities
- Administrative items
**Analyst Responsibilities**

- Evaluate and monitor sector
- Track industry trends and current events
- Screen industry for potential buying opportunities
- Develop DCF and relative value models to value companies
- Make buy / hold / sell recommendations
  - Detailed equity research reports
  - Presented to other members of the Fund at meetings
APPLICATION PROCESS
Course Requirements

- Applicants will be required to complete the following courses before fall semester of their senior year:
  - BMGT 340 – Business Finance (Core)
  - BMGT 343 – Investments

- Applicants will be required to complete BMGT 443 – Applied Equity Analysis and Portfolio Management either before or during the fall semester.

- In general, course requirements for graduation remain unchanged.
Apply for a general position on the Fund
- You do not need to specify a particular position

Time availability
- Must schedule classes around Senbet Fund meetings
  - (10:00am – 11:50am Tues/Thurs)
- Must be a rising senior (or junior with enough credits) and have declared Finance as your major

Requires a two semester commitment
- Being abroad this coming spring will not disqualify applicants (Several current fund members interviewed while abroad)

Counts as two senior level electives (3 credits per semester)
\[\text{WHY AN APPLICATION?}\]

- Opportunity for us to determine who is serious about being a member of the Senbet Fund
- Allows us to determine who has the skills and drive to make a significant contribution
- Very competitive; need to select the right skill mix
- Analytical, communication & leadership qualities
- Allows us to see your thought process when approaching a potential investment
APPLICATION REQUIREMENTS

- **Cover Letter**
  - Brief background/experience
  - Reasons why you want to be in the Senbet Fund
- **Analyst Report** (no more than 3 pages typed, not including exhibits, double-spaced, 12 pt, Times New Roman font)
  - Economic Overview
  - Industry Overview
  - Company Selection & Overview
  - Model is OPTIONAL, you are not expected to have proficient modeling skills coming into the fund
- **Resume**
  - Minimum GPA of 3.0
- **Honor Code**
Application Schedule

- Application available ~ December 2017 – February 12th
  - Online and you will receive email confirming receipt of application
- First Round Picks & Interview Signup
  - Once selected to interview, signups are on a first come, first serve basis
  - Signup Google Sheet will be emailed to candidates
- Interviews Held ~ Friday, February 16th
  - 2 hours, various time slots throughout the day (fit/market/technical)
  - There is ample advance notice. Please plan accordingly
- Final Selections ~ End of February, 2018
  - Decisions will be emailed

Any changes will be announced via email
More Information

- Visit the Senbet Fund web site (www.rhsmith.umd.edu/senbetfund)
- Contents of the web site include:
  - Holdings and sector weightings
  - History
  - Member profiles
  - Performance
  - Investment approach and guidelines
  - This presentation
QUESTIONS?