

## Investment Approach:

The managers of the fund seek the highest level of return, while assuming risks similar to those of the Standard and Poor's 500 Index. Managers will also recommend a targeted portfolio of stocks from a broad set of industries. The fund seeks capital growth through securities that meet the fundamental and technical specifications adopted by the managers.

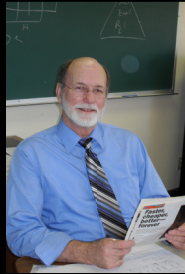
## Program Director:

A.J. Senchack, founding director of the Financial Analyst Program, joined the faculty of Southwestern University's Department of Business and Economics in 1998. He currently holds the Lucy King Brown chair in International Business.

Dr. Senchack teaches in the areas of Foundations of Business, Financial Statement Analysis,

Investments, Portfolio Management, and International Business. Before coming to Southwestern, Dr. Senchack taught at the University of Texas – Austin for twenty five years,

and is responsible for creating the Financial Analyst Program at UT. Senchack holds a B.S. in Industrial Engineering and an M.B.A. from Texas Tech University. He performed graduate work in finance and investments at the Harvard Business School and received a Ph. D. in finance from UCLA.



## Financial Analysts 2010-2011



**Top: (L-R)** Eric Kegley, Brantley Freeman, A. J. Senchack

**Middle:** Alex Keller, Tim Hord, Jonathan Cartmill

**Bottom:** Ross Harrison, Alex Blake, Jack Parker



## Financial Analyst Program

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# Financial Analyst Program



**Southwestern University**  
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## History:

During the 1998-1999 academic year, the Department of Economics and Business introduced a new undergraduate business honors curriculum – the Financial Analyst Program (FAP), under the direction of Professor A.J. Senchack, holder of the Lucy King Brown Chair in International Business. Working with Mr. Richard L. Anderson, Vice President of Fiscal Affairs, Dr. Senchack initiated a request for the creation of the Southwestern University Student Investment Fund, subject to the approval of by the Board of Trustees. The Fiscal Affairs Committee and the Board of Trustees fully endorsed the program, and the Board of Trustees approved and authorized the creation of the Student Investment Fund. In addition, the Board authorized the transfer of \$200,000 in endowment assets as the initial investment of the Fund. The first investment of the Financial Analyst Program was made on March 1, 2000.

## Student Managed:

The Fund is actively managed by Student Portfolio Managers under the guidance and advice of the faculty in the Department of Economics and Business. The Fund provides an opportunity for a small group of exceptional students to work closely with faculty and other investment professionals to develop their financial and accounting skills. The program also gives students real-world experience in constructing, monitoring, and managing a live investment portfolio. The Managers are selected by the FAP committee on a competitive basis. The criteria considered include career objectives, previous academic performance, related work experience, and application.

Participation in the FAP involves a year-long commitment, beginning in April before the

student analysts' senior year. Members of the FAP extensively study two books discussing investment strategy. They will report a summary of the books to the other members of the FAP at the beginning of the Fall semester.

Also, member students are required to enroll in one course each semester, both taught by Professor A.J. Senchack. These courses are *Financial Statement Analysis* and *Investments*. Major topics covered in *Financial Statement Analysis* include: determining and understanding the sources of industry and company profitability; fundamentally analyzing financial statements, cash flow, sales/earnings growth, and business and financial risks; assessing earnings growth; analyzing lines of business; valuing equity or equity-like securities; and assessing mergers and acquisitions.

*Investments* focuses on the study of alternative investments that are available in the global marketplace and on approaches by which we can analyze and value different investment instruments such as bonds, stocks, options, and futures contracts. The theoretical material presents how to evaluate different investments and how to create a diversified portfolio of financial assets, subject to risk-return objectives.

**Market Technician:** The duties of the market techni-

## Officer Duties:

cian include the study of current and past market action, such as price and volume, to forecast future price direction. The technician is also responsible for the timing of purchases and sells in correlation to what he/she forecasts and keeping other members of the FAP aware of current market trends.

**Portfolio Management:** The portfolio manager attempts to reduce the risk of the portfolio through the diversification of securities. The portfolio manager makes sure that stocks add diversity to the fund by

either adding exposure to new industries or by trying to lower the overall beta of the fund.

**Accountant:** The accountant is responsible for maintaining updated monthly records / spreadsheets of the portfolio standing. Each month, upon receiving the monthly statement, the accountant must update the spreadsheet for purchases and sales that have occurred in that month, while accounting for interest, commissions, etc.

**Economist:** The duties of the economist include monitoring macro-economic reports, and reporting any changes in the U.S. economy. Also, the economist should follow general predictions for the U.S. economy and keep the FAP updated on Fed actions.

**Trader:** The primary responsibility of the trader is to act as a liaison between the FAP and the Administration. The trader is responsible for securing transaction authorizations and turning them into the Administration. The trader must also keep track of buy/sell points assigned to each stock, and make sure those trades happen in an appropriate amount of time.

**IT Officer:** The duties of the computer analyst include keeping forms and files used in the program organized and easily accessible to the group. The computer analyst maintains the office computer and keeps the website up-to-date.

**Public Relations:** The public relations officer is responsible for creating weekly meeting agendas, providing email reminders, updating the brochure and constitution, and planning any recreational activities for the group. The public relations officer is also in charge of the promotion of the FAP to juniors who may be interested in applying.