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**New Student-Managed Investment Fund Will Provide Hands-On Experience**

[*By Karen Guzman*](mailto:karen.guzman@yale.edu)

*Professors Shyam Sunder and Matthew Spiegel sign the documents to create a new student-run investment fund. From left, Sunder; Alexander Banker, a director at the Yale Investment Office; David Weber ’18 and Victor Zhu '18 of the Investment Management Club; and Spiegel.*

This spring, students enrolled in the Yale School of Management’s Security Analysis course will step into the role of portfolio managers for the school’s new student-run investment fund.

Leaders of the [Investment Management Club](https://groups.som.yale.edu/invest/about/) worked with faculty and [Yale SOM’s International Center for Finance](https://som.yale.edu/faculty-research-centers/centers-initiatives/international-center-for-finance) to create the student-run fund, which has been established by the school with an initial investment of $500,000.

Taught by Professors [Matthew Spiegel](https://som.yale.edu/faculty/matthew-spiegel) and [Shyam Sunder](https://som.yale.edu/faculty/shyam-sunder), Yale SOM’s long-standing Security Analysis course will now be offered in a two-semester sequence, thanks to the addition of the new fund. “This is an exciting opportunity for the students to acquire the tools to become star buy-side finance professionals,” Spiegel says. “Students will acquire tools that should help them throughout their careers.”

Students taking the course will be enrolled as “analysts” during the first semester, with the job of initially valuing industries and firms, Spiegel says. They will do this by producing detailed research reports with rigorous forecasts and reporting their findings to the class. “That means taking each forecast seriously, questioning it, and making sure the answers are backed up by real data, not just gut feelings,” Spiegel says. (A repository of reports produced by students in past iterations of [the course is available online](http://analystreports.som.yale.edu/Reports).)

Students enrolled for a second semester will act as the portfolio managers; each will be responsible for several industries within the fund. “It is their job to determine the risk and returns of the stocks under their purview and explain their findings,” Spiegel says. They will also help manage groups of first-semester students—their analysts.

“The fund will reinforce the principles and skills taught in SOM’s curriculum through the practical investing process,” says Victor Zhu ’18, Investment Management Club co-president. “It will engage students in research, diligence, and presentation of investment ideas. It will best prepare us for the rigors of a career in asset management.”

A portion of the fund’s returns will be donated to student scholarships or the school’s Internship Fund; the remainder will be reinvested. “This really fulfills SOM’s mission to educate leaders for business and society, well-rounded leaders with a deep understanding of both financial markets and governance, board stewardship, and philanthropy.” Zhu says.

Yale SOM students in the course also work alongside students from the Smurfit School of Business in Dublin, Ireland, a member of the [Global Network for Advanced Management](http://advancedmanagement.net/), who for several years have had the opportunity to join the class virtually.

“This gives the U.S. students a chance to see people analyze firms and data from Europe, and it gives students in Europe a chance to see the same regarding U.S. companies,” Spiegel says. “Given how international finance has become, we think this greatly enriches the learning experience.”

Possible plans for the future include working with the Yale Investment Office, Yale’s highly regarded endowment management group, which includes Yale SOM alumni. “It’s an opportunity for students to draw on other resources at Yale as they develop practical fund management skills, as well as a deeper understanding of the practice,” Sunder says.

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