



THE OHIO STATE UNIVERSITY
FISHER COLLEGE OF BUSINESS

Investment Strategies and Philosophies
Busfin: 4225 Spring 2020
Course Description and Syllabus

Instructor: Matt Sheridan, CFA, CAIA

Lecture: Tuesday Thursday 12:45-2:05 p.m. in SB230 & 5:30-6:50 p.m. in SB220

Office Hours: Fridays 1-3 p.m.

Office: 306 Fisher Hall **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, fixed income, real assets, and various hedge fund strategies. The course will also highlight the investment philosophies and strategies 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 Aswath Damodaran

The Wall Street Journal – Student access for print and digital. Use the following link to subscribe:
<https://r.wsj.com/PROFctgm>

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	Course Overview Current State of the Global Financial Markets	
2	Categorizing and Developing Investment Philosophies Overview of Investment Strategies	Ch 1
3	Historical Asset Class Returns Assessing and Measuring Risk	Listed on Carmen
4	Implications of Costs and Taxes Valuation Review	Ch 4 & 5 Quiz 1 Due 2/2 at 11 p.m.

5	Mental Models & Decision Making Framework Investor Policy Statement	Listed on Carmen & Ch 6
6	The Case for Indexing: Active VS. Passive Mutual Fund & ETF Evaluation Bloomberg Training	Ch 13
7	Technical Analysis Strategies and Empirical Evidence Value Investing Philosophy Creating Value Screens on Bloomberg and Capital IQ	Ch 7 & 8 Project 1 due 2/20 Quiz 2 Due 2/23 at 11 p.m.
8	Growth Investing Philosophy: Small Cap and Growth Investing Creating Growth Screens on Bloomberg and Capital IQ Midterm on 2/27	Ch 9
9	Financial Bubbles Fixed Income Investment Strategies	Listed on Carmen
10	Market Moving News and Information Alternative Data: AI, location tracking apps, satellite imaging, social media sentiment, and machine learning	Ch 10 & 12 Q3 Due 3/22 at 11 p.m.
11	Pitfalls of trying to Time the Market Tactical Asset Allocation & Rebalancing Portfolios	Ch 12
12	Hedge Fund Structure and Historical Performance Hedge Fund Strategies	Listed on Carmen & Ch 11 Project 2 Due 3/31
13	Real Assets: Real Estate, Infrastructure, Farmland & Timber Investments, and Art	Listed on Carmen Q4 Due 4/12 at 11 p.m.
14	Commodity Trading Advisors, & Managed Futures Choosing an Investment Philosophy	Listed on Carmen & CH 14
Final Exam based on University Schedule: https://registrar.osu.edu/scheduling/finals/finals.asp		

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 (publically available) 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.

Graded Deliverable Types:

Independent Work [N ↑]: Strictly non-collaborative, original individual work. Discussions with instructor only. No use of Email, Texting, GroupMe, Google Groups or Hangouts, WeChat, LinkedIn, Facebook Messenger, WhatsApp, Slack, or other forums.

Collaboration-Required [C 🧑‍🤝🧑]: An explicit expectation for collaboration among students either in-class or outside (e.g. in group projects).

Grading:

Graded Deliverables	% of Total	Type
Quizzes	10%	N ↑
Project 1	15%	N ↑
Project 2	25%	C 🏠
Midterm Exam	25%	N ↑
Final Exam	25%	N ↑

Please note:

- No extra credit will be offered
- Grades will be determined at the end of the term. Any curve, if there is one, is set at that time.
- Grades will not be changed except for a mathematical errors.

Projects:

Project	Description
1	Investor Policy Statement
2	TA, Value, and Growth Strategies

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 project 2.

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 and Final Exam:

All exams are classified as individual work and the use of any outside material (e.g., book, notes, internet connected devices, ect.) is strictly prohibited.

Missed exams can only be made-up in extreme cases (e.g., death of family member, personal hospitalization, etc.) with proper documentation (e.g., Emergency Room paperwork, obituary, etc.). Each decision of potentially allowing a make-up exam is made by the instructor on a case-by-case basis. Additionally, you MUST contact the instructor via email (Sheridan.146@osu.edu) if you are experiencing an extreme situation or emergency ASAP. Alternative methods (e.g., oral exam, essay) of testing may be used for make-up exams.

Final Exam time and date are set by OSU's official final exam schedule. The schedule can be found at: <https://registrar.osu.edu/scheduling/finals/finals.asp>

Note that final exams must take place during official College exam periods, and not during the last week of regular coursework. No requests to take exams early/late or with a different course section will be granted.

Academic Conduct:

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, submitting the same or similar work for credit in more than one class, 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.

If a student is suspected of, or reported to have committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to COAM. If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me. See OSU Prohibited Conduct – [Section 3335-23-04\(A\)](#)

Disability Services:

Students with disabilities by the OSU Student Life Disability Services (SLDS) will be appropriately accommodated and should inform the instructor as soon as possible of their needs. The Office for Student Life Disability Services is located in 098 Baker Hall, 113 W. 12th Ave. 614-292-3307; <https://slds.osu.edu/>

Mental Health:

Students may experience a range of issues that can create barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce the ability to participate in daily activities. The Ohio State University offers services to assist you with addressing these and other concerns you may be experiencing. If a student is suffering from any of the aforementioned conditions, there is a broad range of confidential mental health services available on campus via the Office of Student Life Counseling and Consultation Services (CCS) by visiting ccs.osu.edu or calling 614-292-5766. CCS is located on the 4th Floor of the Younkin Success Center and 1030 Lincoln Tower, Cannon Drive. 24-hour emergency help is also available through the National 24/7 Prevention Hotline at 1-800-273-TALK or at suicidepreventionlifeline.org

Disenrollment:

Any student who fails to attend without giving prior notification to the instructor will be dis-enrolled after the third instructional day of the term, the first Friday of the term, or the second scheduled class meeting of the course, whichever occurs first, per OSU attendance policy.

Workload Expectation:

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.

Appendix A: Sheridan's Recommended Readings

Sheridan's Hall of Fame of Investment Books

Security Analysis, Graham & Dodd
Fixed Income Analysis, Frank Fabozzi
The Intelligent Investor, Benjamin Graham
The Most Important Thing, Howard Marks
Margin of Safety, Seth Klarman
Irrational Exuberance, Robert Shiller
Liars Poker, Michael Lewis
Against the Gods, Peter Bernstein
Alpha Masters, Maneet Ahuja
The Alchemists, Neil Irwin
When Genius Failed, Roger Lowenstein
The New Market Wizards, Jack D. Schwager
Too Big to Fail, Andrew Ross Sorkin
The Big Short, Michael Lewis
The Predators' Ball, Connie Buck
A Random Walk Down Wall Street, Burton Malkiel
Fooled by Randomness, Nassim Nicholas Taleb
Stocks for the Long Run, Jeremy Siegel
Thinking, Fast and Slow, Daniel Kahneman

Books by Topic

General Investing/Economic/Academic

The Intelligent Investor, Benjamin Graham
The Most Important Thing, Howard Marks
Margin of Safety, Seth Klarman
Irrational Exuberance, Robert Shiller
Stocks for the Long Run, Jeremy Siegel
A Random Walk Down Wall Street, Burton Malkiel
Fooled by Randomness, Nassim Nicholas Taleb
The Black Swan, Nassim Nicholas Taleb
Thinking, Fast and Slow, Daniel Kahneman
The Little Book of Common Sense Investing, John Bogle
One Up on Wall Street, Peter Lynch
Beating the Street, Peter Lynch
The Index Revolution, Charlie Ellis
Buffett, Roger Lowenstein
Poor Charlie's Almanac, Charles Munger
Adaptive Markets, Andrew Lo
Misbehaving, Richard Thaler
The Alchemists, Neil Irwin
Common Stocks and Uncommon Profits, Philip Fisher
Think Twice, Michael Mauboussin
Mastering the Market Cycle, Howard Marks

Wall Street Culture & History

Liars Poker, Michael Lewis
Too Big to Fail, Andrew Ross Sorkin
After the Music Stopped, Alan Blinder
The Big Short, Michael Lewis
The Predators' Ball, Connie Buck
Young Money, Kevin Roose
Other People's Money, John Kay
A History of the United States in Five Crashes, Scott Nations
America's Bank, Roger Lowenstein
Flash Boys, Michael Lewis
Barbarians at the Gate, Brian Burrough & John Helyar
Billion Dollar Whale, Tom Wright & Bradley Hope

Hedge Funds

When Genius Failed, Roger Lowenstein
A Man for all Markets, Edward Thorp
More Money than God, Sebastian Mallaby
Alpha Masters, Maneet Ahuja
Black Edge, Sheelah Kolhatkar
The Man Who Solved the Market, Gregory Zuckerman
The New Market Wizards, Jack D. Schwager
No Bull, Michael Steinhardt
When the Wolves Bite, Scott Wapner
A Tiger in the Land of Bulls and Bears, Julian Robertson
Principles, Ray Dalio
Hedge Fund Market Wizards, Jack Schwager
Fooling Some of the People All of the Time, David Einhorn
The Alchemy of Finance, George Soros
The Quants, Scott Patterson

Investing Foundations and Valuation

Security Analysis, Graham & Dodd
Fixed Income Analysis, Frank Fabozzi
Narrative and Numbers, Aswath Damodaran
The Little Book of Valuation, Aswath Damodaran

Non-Investing Books (that cover various investing themes)

Factfulness, Hans Rosling
The Art of Learning, Josh Waitzkin
Thinking in Bets, Annie Duke
The Outsiders, William Thorndike, Jr.
Sapiens: A Brief History of Humankind, Yuval Noah Harari
Rise of the Robots, Martin Ford
The Signal and the Noise, Nate Silver
Are You Ready to Succeed?, Srikumar Rao (helpful book to examine and evaluate the mental models you have created to interpret the world)

Appendix B: Suggested Investing Related Podcasts

Masters in Business with Barry Ritholtz

Fama & Booth	11/8/2019	Aswath Damodaran	10/28/2016
Josh Wolfe	8/16/2019	William McNabb	10/21/2016
Bethany McLean	12/13/2018	Michael Mauboussin	8/12/2016
Ray Dalio	11/30/2018	Daniel Kahneman	8/4/2016
Howard Marks	10/4/2018	Jack Schwager	6/22/2016
Leon Cooperman	8/10/2018	Jack Bogel	3/11/2016
Robert Arnott	7/26/2018	Mohamed El-Erian	2/13/2016
Ed Yardeni	5/23/2018	Roger Lowenstein	12/5/2015
James Chanos	5/11/2018	Ken Fisher	11/30/2015
Joel Greenblatt	4/20/2018	Mario Gabelli	10/30/2015
Ray Dalio	12/7/2017	Jeremy Siegel	10/18/2015
Katie Stockton	9/8/2017	Jason Zweig	9/11/2015
Richard Clarida	8/3/2017	Nate Silver	8/21/2015
Ed Thorp	7/14/2017	Howard Marks	7/19/2015
William Sharpe	6/2/2017	Richard Thaler	6/14/2015
Andrew Lo	4/21/2017	Scott Galloway	6/5/2015
Charles Ellis	4/13/2017	David Booth	5/22/2015
Burt Malkiel	3/31/2017	Cliff Asness	2/21/2015
Bill Miller	11/4/2016		

The Knowledge Project – Shane Parrish

Winning the Great Game (Part 1 & 2): Adam Robinson
Getting Better by Being Wrong: Annie Duke
Life Lessons from a Self-Made Billionaire: Ray Dalio
A Decision Making Jedi & When to Trust Your Gut: Michael Mauboussin
Elevate Your Financial IQ: Jason Zweig

The Tim Ferriss Show

Howard Marks
Ray Dalio
Hedge Funds, Investing, and Optimizing Lifestyle: Mark Hart & Raoul Pal
Becoming the Best Version of You: Josh Waitzkin, Adam Robinson, & Ramit Sethi

Other Investment Related Podcast Suggestions

NPR Planet Money
NPR The Indicator from Planet Money
The Meb Faber show
The Curious Investor by AQR Capital Management, LLC
Animal Spirits – Michael Batnick and Ben Carlson
Invest Like the Best – Patrick O'Shaughnessy
Naval Podcast