
Queen's Student Managed Fund

Fund Overview 2017/18



**QUEEN'S
UNIVERSITY
BELFAST**

**MANAGEMENT
SCHOOL**



INTRODUCTION BY DR BARRY QUINN

Financial market professionals operate in a fast paced global environment, which contrasts with the lecture theatre where the traditional theory of finance is built on elegant market conditions such as perfectly competitive and frictionless markets. This gap between theory and practice inspired us to create and develop Queen's Student Managed Fund (QSMF). We want to prepare our students to enter industry with an extensive knowledge base but also the practical skills to understand and interact in markets characterised by imperfections and frictions.

The fund provides students with the opportunity to collaborate and learn through experience, with insights drawn from academia and industry best practice. QSMF has been carefully developed to allow students to manage an investment portfolio in an authentic setting and develop industry relevant skills and experience.

Established in 2012, the fund initially operated on a virtual basis before transitioning to a real money fund which went live in April 2016.



Dr Barry Quinn

Authentic Environment

- Real money invested by students responsible for real profits and losses
- Trades placed with a broker
- Dedicated trading room with industry leading Bloomberg terminals
- Access to live and historic data, news and analysis
- Access to company reports, performance and accounting data

Authentic Structure

- Student led management board with a formal reporting structure
- C-Suite roles (CEO, CFO, CRO and CIO)
- Mandatory reporting to stakeholders
- Governance and compliance controls
- Code of conduct and corporate social responsibility

Authentic Practice

- Equity research and preparation of analyst reports
- Collaboration and pitching investment ideas
- Portfolio management: investment thesis, stock selection, and performance analysis
- Preparation of investor reports

FUND ETHOS

The fund is framed around the three core themes of employability, professionalism and corporate social responsibility.

EMPLOYABILITY

The overarching goal of the fund is to educate students through real world experience of investment analysis and portfolio management. We want our students to be ambitious in their aspirations and the fund allows them to develop the necessary skills to accelerate their career path.

Students can take on a range of roles, from analyst to CEO which provides them with development opportunities to progress within the fund and move from company analysis, through to pitching ideas and finally taking real investment decisions. The supportive environment is designed to encourage students to develop their skill set and enhance their employability within the highly competitive financial services industry. Students in QSMF also have the opportunity to participate in the CFA Research Challenge and there are a number of scholarships available to support those wishing to do the CFA examinations.

PROFESSIONALISM

Queen's Management School is committed to international excellence and demonstrated this with the establishment of a state-of-the-art FinTrU Trading Room equipped with 12 Bloomberg terminals. The trading room allows students to develop their technical skills using industry focussed software and experience a live trading environment.

In the academic year 2015/16 QSMF transitioned from a virtual to a real money fund with a professional management and reporting structure. Students have a range of roles and responsibilities, with additional activities focussed on industry engagement. In this current academic year the students have arranged an industry professional speaker series which is aimed at giving the students an insight into the investment management process.

Past alumni of the QSMF remain engaged with the fund and are an excellent resource for our current students in terms of growing the fund and networking within the finance industry.

CSR

The fund seeks to ensure students maintain the highest standards of ethics and embed a culture committed to corporate social responsibility. Students must abide by a code of conduct, and are expected to maintain professional standards at all time. As part of their investment analysis, students are required to research and reflect upon the ethical implications of any investments. Since the fund itself is philanthropic in nature, students are encouraged to donate a portion of future profits to a student-focused charity such as the Student Union's hardship fund.

PRINCIPAL INVESTMENT PHILOSOPHY

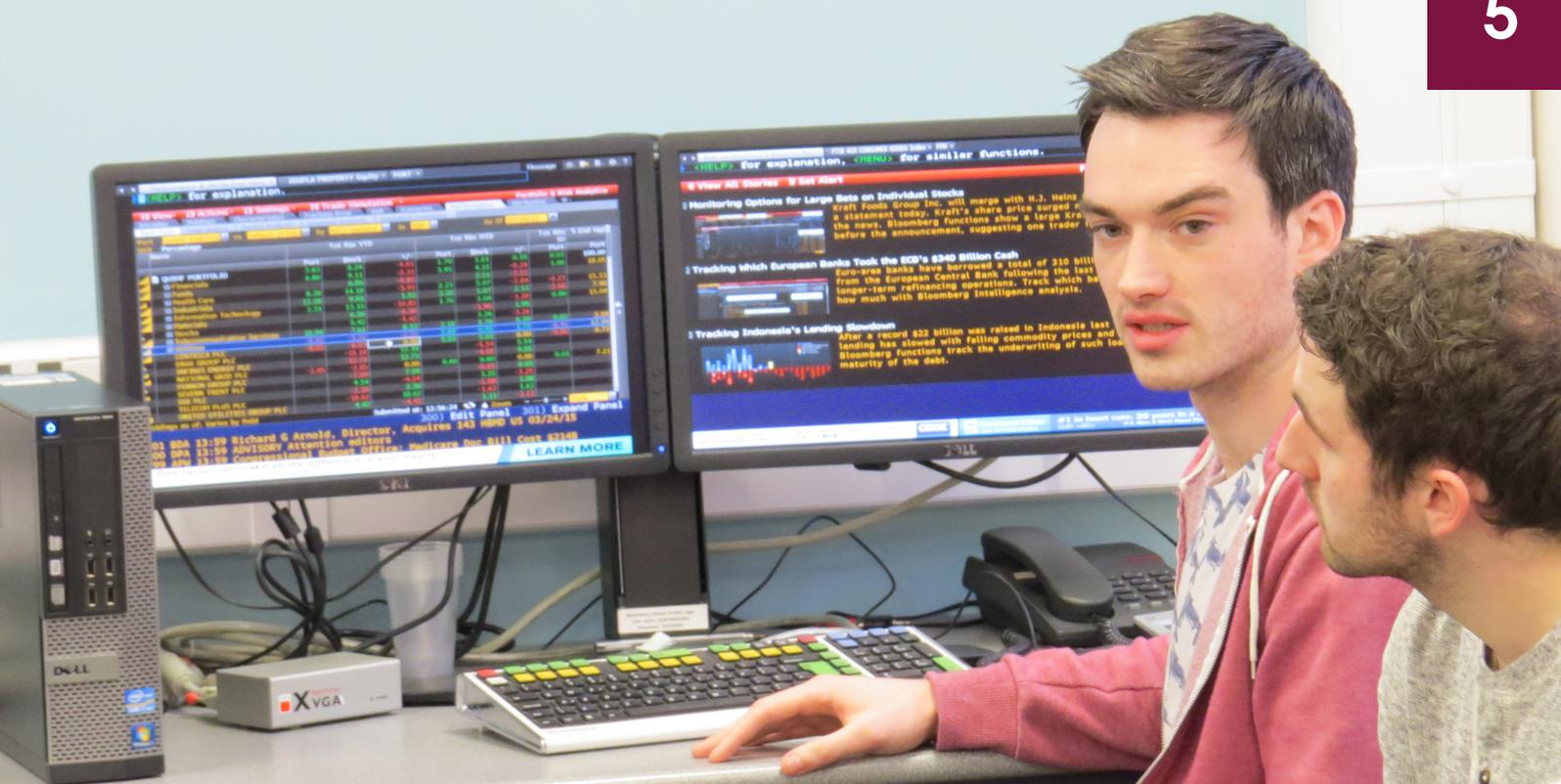
The principal aim of the fund is to allow students to undertake real investments in an environment which encourages learning but is also designed to minimise any downside risk to the fund. Investments are made within a framework designed to encourage the practice of responsible investing and risk management.

The fund has a long term investment horizon and is focussed primarily on achieving positive stable returns through superior stock selection using quantitative and qualitative fundamental analysis. The investment universe is focussed primarily on UK equities from the FTSE350.

The fund will undertake a strategically defensive approach to portfolio management. The portfolio will be diversified and portfolio weighting rules allow for the fund to add or remove exposure to certain sectors depending on the management team's view on the stage of the economic cycle.

TO PROGRESS AND LEAD INVEST IN THE FUTURE

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James Hilland
CEO (2017/18)

FUND MANAGEMENT

OVERSIGHT COMMITTEE

The oversight committee, consisting of academic members of staff, is responsible for the establishment and continuity of the Fund. The primary function of this committee is to ensure that the fund operates in a manner consistent with the fund's ethos and operational framework. Committee members will provide support and guidance for fund activities and members.

STUDENT EXECUTIVE COMMITTEE

The student committee consists of:

- Chief Executive Officer (CEO)
- Chief Operating Officer (COO)
- Chief Financial Officer (CFO)
- Chief Investment Officer (CIO)
- Chief Risk Officer (CRO)

The executive committee is appointed annually by the oversight committee from applicants judged to have sufficient experience and leadership capabilities. Senior roles are often filled with students who have completed relevant twelve month industrial placements. The student committee is responsible for managing the investment portfolio and the student members. Other key responsibilities include setting the investment agenda, organising meetings, portfolio monitoring, and reporting to the oversight committee and other stakeholders.

SECTOR HEADS

The fund's membership is arranged into sector teams managed by a sector head. The sector heads are appointed annually by the student executive committee. Sector heads are responsible for managing their team and for providing investment recommendations to the executive committee. In particular sector heads are tasked with mentoring the analysts and organising the research agenda for their sector. The sectors are based on the Global Industry Classification Standard (GICS), namely: Consumer Discretionary, Consumer Staples, Energy; Financials, Health Care, Industrials, Information Technology, Materials, Telecommunication Services, and Utilities.

ANALYSTS

Analysts are assigned roles within a sector team. Under the guidance of their sector head, each member will undertake analysis of designated companies, and present their research output in the form of a professional analyst report to the team. Analysts are expected to critically assess the work of their peers and contribute to the final recommendation made by the sector head to the executive committee.

STUDENT BENEFITS

Queens Management School is one of only a handful of UK and Irish Universities offering students the unique opportunity to manage a real money fund.

The fund provides students with practical experience in investment. The range of roles within the fund provides students with an understanding of fundamental analysis and develops broader commercial awareness of the financial industry. Students are also supported to develop softer skills through presentations, group discussions, pitching investment ideas and networking with industry professionals. Students from all levels can get involved with the fund which assists them in securing internships, placement opportunities and graduate employment.

The fund is focussed on personal development and progression with a training programme tailored around the use of Bloomberg and market fundamentals. Students have the opportunity to develop managerial and leadership capabilities in addition to mentoring students within the fund in relation to their specific roles but also their broader career development.

Participation in the fund provides our students with the following benefits:

- a practical learning experience where textbook theory becomes tangible and relevant
- technical skills such as Bloomberg and Excel proficiency
- soft skills developed through research, critical analysis, report writing and discussion
- time, resource and people management skills
- exposure to industry professionals through master classes, workshops and pitching events
- responsibility gained from managing an investment portfolio
- enhanced employment prospects

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This initiative is fantastic and a game changer when it comes to getting people exposed to the markets and the responsibility around setting up a platform and fund for long term objectives.

”

Declan Breslin,
US Head of Client Services, Prime Brokerage
J.P. Morgan



“

The SMF was the real talking point in interviews; as soon as I had explained the concept I found that interviewers really focused in on it. The SMF helped me further build my understanding of investing but also taught me key management and organisational skills.

”

Moh Musa, Chief Executive Officer (2016-17)
M.Sc. Computational Finance and Trading

DONORS

We are most grateful to any individual or organisation willing to get involved with QSMF or provide a philanthropic gift towards this student initiative. You will be kept fully informed about the fund performance through an annual report. QSMF invites donors to visit the trading room at Riddel Hall to engage and interact with the students on the fund management process. Corporate donors will also be provided with branding and student engagement opportunities commensurate to their commitment.



CODE OF CONDUCT

All members must agree to the following statement:

I agree that I will not contribute financially to the Fund nor will I benefit from it in a financial manner. I agree that as a member of Queen's Student Managed Fund (QSMF) I will maintain knowledge and comply with all applicable laws, rules, regulations and the Fund's operating guidelines; I will attend meetings and carry out my duties as is expected from me; I will not hold myself out as an investment advisor based on my role in the Fund; I will not engage in Fund fraud or behave dishonestly; I will not reproduce Fund documentation or research without acknowledging the Fund as the source and I will seek prior approval; if I am in a position of authority, I will exercise reasonable supervision and carry out my required duties to ensure the effective management of the Fund; I will make investment decisions based on thorough and appropriate research; I will disclose ownership of any shares I am recommending; I will distinguish between fact and opinion in reports; I will act in the benefit of the Fund at all times; I shall not recommend trading based on non-public information; and I will speak truthfully of the Fund at all times.

CONNECT



@QUBSMF



<http://go.qub.ac.uk/qubsmf>



Queen's Student Managed Fund



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ACKNOWLEDGEMENTS

QSMF would like to express their gratitude to the following for their generous support.

UNIVERSITY



Queen's Annual Fund

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