**Finance 7110**

Fall 2023

**Stock-Trak Assignment**

Each student must join an investment team and participate in a portfolio simulation exercise managing $1,000,000 over the semester. The simulation is professionally conducted by Stock-Trak Portfolio Simulations.

The investment period will extend from Aug. 28 through Dec. 1. The fee per registered account is about $32. Your text may have a coupon for $5 off this price if you bought it new. Teams may have a minimum of three and a maximum of five students each. Your team can include students who are enrolled in either the daytime (section 01) or the evening (section 21) sections of this course.

I have set this up so that you are allowed to trade stocks, bonds, mutual funds, and ETFs. You can trade on any exchange that Stock-Trak allows. You can short-sell and buy on margin to whatever extent Stock-Trak allows. Trades can be submitted on the Stock-Trak webpage. Students will receive weekly statements showing account activity, value and performance. The Stock-Trak webpage has background resources for researching various investments. Further details can be found on the Stock-Trak website.

Assignment Requirements:

1. Send me an email with the name of your Team, along with the names of everyone in your team immediately after you have registered your team on Stock-Trak. You can register your team as soon as you want.
2. Prepare a Fund Prospectus. This statement should be no more than two pages and should describe the investment style, restrictions on certain asset classes, list of investment managers, benchmark index for performance assessment, expected turnover activity, and anything else a potential investor might want to know. A hard copy of your Prospectus is due at the start of class on Sept. 5 (evening class) or Sept. 6 (day class).
3. At the end of the semester, each team will prepare a final performance report that (1) tracks the performance of their portfolio, (2) analyzes the macroeconomic, financial market and stock-specific news events that may have affected the risk and return performance of their portfolio, (3) justifies the reasons for your trades from a portfolio perspective and (3) evaluates the relative and absolute performance of your portfolio. I expect that you will treat your portfolio as a portfolio and not merely a collection of individual securities. There should be well-thought-out reasons for each investment decision. The report should be no more than 10 pages long with no more than 10 additional pages of supporting exhibits and graphs. This is a report to your fund’s investors. It should compliment the prospectus and answer any questions your investors might have. I encourage you to share your results with the other teams and to compare yourselves to the “competition” in the final report. A hard copy is due at the start of your final exam.
4. Your fund should be registered and your first trades made within a few days of the start of the trading period. You will be allowed to make up to 300 trades during the semester (I believe that stock-trak will allow you to make more if you pay an additional fee. Should you choose to do so, that is fine with me). While there is not a required minimum number of trades for this assignment, I believe you will learn more by being active investors over the entire course of the semester, and your grade will be at least partially dependent on this.
5. If you encounter any difficulties with your trades being executed, or any other problems with the StockTrak website, please contact StockTrak Customer Support. I cannot help you with any of those problems.
6. There will be one grade for your team. Each member of the team will receive the same grade, so carefully select who you want to work with. Your team’s grade will be based on the following criteria:
   1. Quality of the final performance report
   2. Quality of the prospectus
   3. How well you integrate what we learn in this course into your investment decisions and analysis
   4. Activity within your account
   5. How well your team works together
   6. How well your team follows instructions
   7. Professional presentation of your prospectus and final report
   8. Your performance relative to the other teams in this course

**Registering Your Team**

* As soon as you have your team in place, go to <https://www.stocktrak.com:443/members/register?session=FIN7110_2023> and register. You are responsible for paying your team’s registration fee. You will need a Visa or Mastercard to pay the fee.
* The class name is FIN7110\_2023
* Use your **team name** as the user name. Do not use the name of someone on your team.
* Do not give out your team password to anyone outside your team, or you may find that you made some trades that you didn’t want to make.
* It is up to each team to determine who can make trades for your team. You may decide that all must agree on a trade, or that any team member can make trades at any time.
* Additional information and resources can be found at <http://www.stocktrak.com>