HISTORY OF INVESTING
Fall 2023

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The goal of the course is to provide a basic understanding of markets and investing. We will review the history of investments and speculations from early civilization to present day with a focus on the evolution of investment thought in the last 100 years. You will read some of the great books about investing. And we will also survey major investment categories with a focus on how investing takes place in the "real world." A highlight of the course will be weekly guest lecturers by preeminent investors. Finally, each student will get some hands-on investment experience by participating in and presenting on an investment game.

The hope is that this course will stimulate an interest in / passion for investing, enable students to work on developing their own framework for investing, and provide an overview & insights into the investment profession.

Grading:

- 20% class participation
- 15% investment game
- 20% paper
- 15% midterm
- 30% final

Requirements:

- class participation (multiple ways to contribute)
- investment game group presentation
- 3-5 page paper
- midterm
- final

Generative AI Policy:

Generative AI offers an opportunity for positive use to improve student learning. My goal is to manage the challenges effectively while increasing the positive use. You are free to use Generative AI. If you use it as an aid to writing your paper you will need to disclose 1) what you used AI for; 2) the specific tool you used; and 3) what prompts you used to get the results. We have the ability to access and use GPTZero and Turnitin to monitor use of generative AI.

Classroom Etiquette and Use of Technology

Laptops are allowed in class but strictly limited to use of note taking.

Attendance is expected every week. If you cannot make it, please let Mohit and me know in advance. If you have legitimate reasons for missing class, we will find ways for you to catch up on what you missed.

Name placards

Please use of name placards for all classes. They will be handed out to you during the first class, then you will be responsible for bringing them to future classes

Students can find useful resources for safety and security, academic support, and mental and physical health and well-being at the NUhelp website and app.

EXPECTED CLASSES

Note: The Class on Monday, October 30 will begin at 5 PM; If you can't make that time, not a problem as the guest lecture will be available via zoom.

1. (September 25) **Investing from Ancient to Modern Times**
   Introduction and Orientation to "The History of Investing"
   a. Video: "The Ascent of Money," Niall Ferguson
   b. Video: "The Ascent of Money, Human Bondage," Niall Ferguson
   c. Reading: In Pursuit of the Perfect Portfolio – pdf of select readings
   d. Discussion: Topics from "The Ascent of Money"
   e. Introduce Investment Game

2. (October 2) **Fundamental Security Analysis**
   a. Readings:
      -Quicklet: Unofficial Guide, The Intelligent Investor by Benjamin Graham, Joseph Taglieri
      -The Little Book That Still Beats the Market, Joel Greenblatt
   b. Video: Thoughts of Chairman Buffett, Warren Buffett
   c. Speaker: **Jay Freedman**, Founder & Managing Partner, Crystal Rock Capital*
   d. Discussion about Stock Market Game Policy Statements

3. (October 9) **Modern Portfolio Theory & Efficient Markets**
      i. Readings: "A Random Walk Down Wall Street," Burton Malkiel
      ii. The Little Book of Common Sense Investing, Jack Bogle
      iii. In Pursuit of the Perfect Portfolio,
   b. Videos:
      i. Harry Markowitz, Bill Sharp, Eugene Fama
      ii. Jack Bogle, Founder of the Vanguard Group and "Father of index investing"
   c. Speaker: **Michele Gambera**, Co-Head Strategic Asset Allocation, UBS Asset Management*

4. (October 16) **Behavioral Bias and Investing**
   a. Readings: Fooled by Randomness, Nassim Taleb
   b. Videos: Kahneman, Thaler and Mind Over Money
   c. In Class:
      i. Examples of Behavioral Bias
      ii. Discussion: Coming to Terms with Behavioral Bias

5. (October 23) **Quantitative Investing**
   a. Reading: The Quants, Scott Patterson
   b. Video: Cliff Asness

c. Speaker: **Peter Hecht**, Managing Director co-head of Portfolio Solutions, AQR Capital Management, Associate Professor Harvard Business School*

Midterm: Key Concepts on readings/videos from Classes 1-5 and lectures from Classes 1-4

6. October 30) **Investing Cycles Over Time**

Note: The class on Oct 30th will start at 5pm instead of 6pm

a. Readings: "Devil Take the Hindmost," Edward Chancellor
b. Speaker: Edward Chancellor*
c. Discussion: Understanding Market Cycles

7. (November 6) **Private Equity and Venture Capital**

a. Readings: "The Power Law," Sebastian Mallaby
b. Video: Private Equity TBD
c. Speaker: **Bon French**, Executive Chairman, Adam Street Partners*

3-5 page Papers Due

8. (November 13) **Hedge Funds**

a. Readings: "More Money Than God**,"** Sebastian Mallaby
b. Speaker: **David Richter,** CIO Grosvenor's Capital Management*
c. Investment Game Presentations

9. (November 20) **Endowment Investing**

a. Readings: "Pioneering Portfolio Management," David Swensen
b. Speaker: **Amy Falls**
c. Discussion: Approaches to Portfolio Management
d. Investment Game Presentations

10. (November 27) **Personal Investing**

a. Reading: "The Geometry of Wealth," Brian Portnoy
b. Speaker: **Brian Portnoy*,** Founder of Shaping Wealth and Author of several books
c. Tips about the Final

11. (December 4) **Final**

*Confirmed speakers

Academic Integrity Statement

Students in this course are required to comply with the policies found in the booklet, "Academic Integrity at Northwestern University: A Basic Guide". All papers submitted for credit in this course must be submitted electronically unless otherwise instructed by the professor. Your written work may be tested for plagiarized content. For details regarding academic integrity at Northwestern or to download the guide, visit: https://www.northwestern.edu/provost/policies-procedures/academic-integrity/index.html

Any form of cheating, including improper use of content generated by artificial intelligence, constitutes a violation of Northwestern's academic integrity policy.

Accessibility Statement

Northwestern University is committed to providing the most accessible learning environment as possible for students with disabilities. Should you anticipate or experience disability-related barriers in the academic setting, please contact AccessibleNU to move forward with the university's established accommodation process (e: accessiblenu@northwestern.edu; p: 847-467-5530). If you already have established accommodations with AccessibleNU, please let me know as soon as possible, preferably within the first two weeks of the term, so we can work together to implement your disability accommodations. Disability information, including academic accommodations, is confidential under the Family Educational Rights and Privacy Act.

Religious Observance Statement

Northwestern is committed to fostering an academic community respectful and welcoming of persons from all backgrounds. To that end, the policy on academic accommodations for religious holidays stipulates that students will not be penalized for class absences to observe religious holidays. If you will observe a religious holiday during a class meeting, scheduled exam, or assignment deadline, please let me know as soon as possible, preferably within the first two week of class. If exams or assignment deadlines on the syllabus fall on religious holidays you observe, please reach out so that we can discuss that coursework.

Diversity, Equity, and Inclusion

Instructors are encouraged to consider including a statement about diversity, equity, and inclusion (DEI) in their course syllabi. By including a DEI statement, instructors can help establish a welcoming tone and demonstrate what they value in the learning environment. For more information and examples, go to the Searle Center for Advancing Learning and Teaching's resources on creating inclusive learning environments.

Exceptions to Class Modality

Class sessions for this course will occur in person. Individual students will not be granted permission to attend remotely except as the result of an Americans with Disabilities Act (ADA) accommodation as determined by AccessibleNU.

Community health remains our priority. If you are experiencing symptoms of COVID-19, do not attend class and follow the steps outlined by the CDC for testing and isolation. Contact your instructor as soon as possible to make plans to complete your coursework.

Students who experience other personal emergencies should contact the instructor as soon as possible to arrange to complete coursework.

Should public health recommendations prevent in-person class from being held on a given day, the instructor or the university will notify students.

Guidance on Class Recordings

This class or portions of this class will be recorded by the instructor for educational purposes. Your instructor will communicate how members of the class can access the recordings. Portions of the course that contain images, questions or commentary/discussion by students will be edited out of any recordings that are saved beyond the current term.

Prohibition of Recording of Class Sessions by Students

Unauthorized student recording of classroom or other academic activities (including advising sessions or office hours) is prohibited. Unauthorized recording is unethical and may also be a violation of University policy and state law. Students requesting the use of assistive technology as an accommodation should contact AccessibleNU. Unauthorized use of classroom recordings – including distributing or posting them – is also prohibited. Under the University's Copyright Policy, faculty own the copyright to instructional materials – including those resources created specifically for the purposes of instruction, such as syllabi, lectures and lecture notes, and presentations. Students cannot copy, reproduce, display, or distribute these materials. Students who engage in unauthorized recording, unauthorized use of a recording, or unauthorized distribution of instructional materials will be referred to the appropriate University office for follow-up.

Support for Wellness and Mental Health

Northwestern University is committed to supporting the wellness of our students. Student Affairs has multiple resources to support student wellness and mental health. If you are feeling distressed or overwhelmed, please reach out for help. Students can access confidential resources through the Counseling and Psychological Services (CAPS), Religious and Spiritual Life (RSL) and the Center for Awareness, Response and Education (CARE). All Northwestern students are also eligible to access support at no cost though TimelyCare, a virtual mental health platform that provides counseling, health coaching and 24/7 on-demand services.

Additional information on the resources mentioned above can be found here:

https://www.northwestern.edu/counseling/

https://www.northwestern.edu/religious-life/

https://www.northwestern.edu/care/

https://www.northwestern.edu/studentaffairs/timelycare.html

The Writing Place

When working on writing assignments for this class, I encourage you to visit the Writing Place, Northwestern's peer writing center. You will work with juniors and seniors who have been trained to provide you feedback and assistance on any type of writing at any stage in the writing process. They will not edit your work. Rather, they will work with you to brainstorm ideas, organize or outline an essay, clarify your argument, document your sources correctly, or refine grammar and style.

To book an appointment, register for an account at https://northwestern.mywconline.com/.

Instructors Who Engage Students in Using Generative AI Systems/Software

As part of our class activities, students will be asked to create personal accounts for artificial intelligence services and/or software. Students should familiarize themselves with the Terms of Use for these services as well as the expectations around data privacy and use. Students should not share private, or otherwise sensitive information or data, about themselves or others, with these tools, as there is often no guarantee of data privacy.