

Fusing the ART, SCIENCE, and TECHNOLOGY of Business.

Industry Professionals at SMG

The MSIM Program consistently invites portfolio managers to speak to current students. This year, during Residence Week II, MSIM '06 had several opportunities to hear from professionals who are running billions of dollars in assets.

Jeff Heisler, Gottex Fund

Gottex Fund is a fund of funds, and Jeff Heisler, Senior Analyst, described the role of fund of funds in the current market. Heisler reviewed the hedge fund business, addressed what type of clients the Gottex fund works with, and discussed why institutions and high net worth individuals should invest in a fund of funds limited partnership.

David Henry, Carruth Management, LLC

Carruth Management is a family office dedicated to managing the assets of a single, extended family. Henry spoke about the benefits of working for a family office, including flexibility, opportunity to invest in both standard and alternative investments and the focus on long-term goals for the family's wealth management. Henry touched on the difficulty in the operations of the family's wealth, including the lack of off the shelf tools that integrate the management of investments, accounting and taxation.

Tim Krochuk, GRT Capital

GRT Capital is a hedge fund located in Boston's Financial District, and Tim Krochuk is one

Letter from the Faculty Director



Hello Students, Alumni and Friends,

We are excited to announce that the CFA[®] Institute has selected BU's MSIM program as the first Graduate School in the U.S. with which to partner. The Institute has decided to work with universities to help it accomplish its mission of education in investment management.

Please go to [CFA Partnership Program Press Release](#) to learn about this special relationship. With this important development, we believe recognition of the MSIM brand will grow beyond New

England. In fact, we've seen increased interest already with record, standing-room-only attendance at our June information session.

The SMG Equity Fund investment process was restructured last year and subsequent performance has been strong. I developed an algorithm that utilized stock recommendations and target prices to calculate security weights relative to the S&P600 index. This system provides a well diversified portfolio of active stock picks in September, without the need for in-class discussion. Students continue to have the opportunity to review and request changes in positions, but we are now able to invest an attractive portfolio much earlier than in years past. Performance was very strong in Q4 and Q1, with value-added in 4 of 5 sectors, all from stock selection.

As you may recall, the MSIM cohort is studying equity analysis this summer. We had a special seminar offered this year, taught by Hamilton Lin of Wall Street Training. Take a look at www.wallst-training.com. The seminar provided students with the opportunity to learn professional earnings modeling techniques using excel. Doug Chamberlain, Member of the MSIM Advisory Board, sponsored this new opportunity. Thank you, Doug!

Finally, I'd like to thank Katherine Hasenauer for her support of the MSIM program and its students over the past year. Also, I'd like to welcome David Slay to the MSIM Community.

Hope you are all enjoying the summer.

-Scott

of the founders of the fund. Students visited the offices to learn more about starting a hedge fund and the ins and outs of running a fund.

Pete Pederson, Renova Partners, LLC

Renova Partners LLC redevelops contaminated properties in industrial and residential neighborhoods, "enabling companies to realize value from 'hidden' assets." Pedersen discussed the risk assessment in investing in such properties, Renova's partnership with Prudential Real Estate as the means to provide funding and limit risk, and case studies of their redevelopment projects.

Joel Tillinghast, Fidelity Investments

Joel Tillinghast has worked for Fidelity for the past 20 years, and he is the Portfolio Manager for the Low-Priced Stock Fund, a 35 billion dollar fund. He shared his philosophy of stock selection and research methods, as well as what he considers a valuable skill set when hiring analysts. Tillinghast gave the students tips on making smart stock decisions.

MSIM Congratulates...

Mark Hillman, '07, who makes an appearance on www.Forbes.com TV. You can view Mark's spot by [clicking here](#). Mark comments on how risk management can impact your business.

If you have exciting news you'd like to share with the MSIM community, please send the details to Sarah Herchel at sherchel@bu.edu.

Congratulations to Cohort 6!



Top Row left to right: David Smithwick; Dan Buckley; Joel Case; Subbiah Subramanian; Scott Mountain; Kelly Walsh; Charlie Devens. Middle Row left to right: Peter Cowenhoven; Ji Chung; Greg Coutts; Divya Das; Raymond Childs; Chloe Cullinan; Geoffrey Chamberlain. Bottom row left to right: Christian Hnat; Chris Grande; Marc Piccuiro; Bejay Ugale; Doana Guerrero; Callie Gauzer; Wendy John. Missing: Cynthia Castonguay.

Congratulations to the newest additions to the MSIM Alumni Community, who graduated on Sunday, May 14, 2006. MSIM Cohort 6 joined the rest of the School of Management graduate community at Walter Brown Arena for the confirmation of their academic degrees. Dean Louis Lataif presided over the ceremony, which featured speaker Richard Cohen. Mr. Cohen is President, CEO and Founder of Capital Properties, a real estate acquisition and development company based in New York, and also an alumnus of the School of Management. Mr. Cohen also endowed a professorship to the school, which was announced during the ceremony.

The graduating cohort, their guests and MSIM faculty and staff enjoyed a Commencement reception prior to the ceremony in the School of Management Executive Leadership Center.

Faculty in the News



Zvi Bodie was installed as the first Norman and Adele Barron Professor in Management on June 5th. The professorship was endowed by Adele Barron, the widow of Norman, who was a School of Management graduate and the founder of the Marshall's department store chain. In addition, Bodie spoke to Tom Ashbrook on National Public Radio's OnPoint on April 10th regarding the decline in pension plans offered by corporations, and the giant obligations placed on the federal agency in charge of overseeing pensions. Bodie was also featured in the June 2006 issue of *Plan Sponsor* magazine.

Francois Gadenne was named one of the IA 25, a list of "the 25 most influential people in and around" the investment industry, by *Investment Advisor* magazine. His work helping create the Retirement Income Industry Association (RIIA) is one of the reasons he was named to this list. The association brings financial service industry executives together to communicate about new products for retirement income, a area that has grown substantially.

Upcoming Dates and Events

MSIM Information Sessions

Wednesday, August 23rd, 6pm

Wednesday, September 13th,
6pm

Wednesday, October 11th, 6pm

All sessions are held in SMG room 406. If you would like to volunteer to answer prospective student questions at one of these information sessions, please contact Sarah Herchel at sherchel@bu.edu.

If you have associates who are interested in furthering their career in financial management, they can register for an information session at www.bu.edu/msim.

Upcoming CFA Test Dates

Level 1: December 2, 2006

Registration deadlines are August 15th and September 15th. Go to www.cfainstitute.org for more information

Faculty Director **Scott Stewart** spoke to the *Boston Globe* about the growth of hedge funds. In the April 21st article, "SEC filings show Boston is a leader in hedge funds," Stewart mentions that "the hedge fund business is a natural outgrowth of the firms that are here, and their people who leave to set up their own firms."

Jay Zagorsky has been featured in several articles of recent regarding the research area of family finances. He was featured in the April 28th issue of USA Today with the article "Many marriages today are 'til debt do us part," presenting his findings that "married couples born from 1957 to 1964" cite money as one of their "top three topics for argument." Family financial management is the topic of Zagorsky's article "How Families Really Manage Their Wealth" in the Winter 2005 issue of The Journal of Wealth Management, and his research regarding the financial costs of smoking is mentioned in "Science Confirms the Obvious" in the May 2006 issue of Popular Science.

Exciting MSIM Staff Updates

Welcome to David Slay!



The Graduate Programs Office is excited to announce that David Slay joined the office and the MSIM community this month as a Senior Program Coordinator! David is originally from Connecticut and arrived in Boston via Montpelier, Vermont. He has worked with Bed Bath & Beyond and most recently as an independent Property Manager.

David interests include live music, travel, and having new culinary experiences. He is excited to join the School of Management and is looking forward to meeting everyone over the next month.

Farewell to Katherine Hasenauer!



The Graduate Programs Office and in particular, the MSIM Program, would like to thank Katherine for her dedication and hard work during her time at Boston University's School of Management. After a year of service, Katherine moved on to assume the position of Assistant to the Dean of Students under Dean Kenneth Elmore.

Katherine was a Senior Program Coordinator in the GPO, and she worked very closely with the MSIM Community; we've appreciated her friendly approach and incredibly hard work throughout this past year. Please join us in wishing Katherine good luck and success in her next phase of life and career.

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