



# BABSON

STEPHEN D. CUTLER CENTER  
FOR INVESTMENTS AND FINANCE

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TO: ALL MBA AND UNDERGRADUATE STUDENTS

FROM: RICHARD A. SPILLANE, JR.  
FACULTY DIRECTOR OF THE BABSON COLLEGE FUND

SUBJECT: BABSON COLLEGE FUND MANAGEMENT APPLICATION

DATE: FEBRUARY 11, 2010

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The Babson College Fund hereby solicits applications for students to serve as Babson College Fund Managers for the 2010-11 academic year. The program accepts both MBA and undergraduate students, subject to the prerequisites and requirements detailed below. Applications are due at 2pm on **Thursday, April 1, 2010**

## **About the Babson College Fund Program:**

The Babson College Fund (BCF) is an academic program in which selected students manage a portion of the Babson College endowment. The current value of funds under management is approximately \$1.1 million. BCF managers are overseen by Professor Rick Spillane and Executives-In-Residence who are industry professionals. The program seeks to provide a rich educational experience through the development of investment research skills and the acquisition of portfolio management experience. These skills and experience are highly valued by employers in the investments industry. Prior BCF managers have secured employment as investment professionals at Lehman Brothers, Goldman Sachs, UBS-Paine Webber, Fidelity, Batterymarch, Congress Asset Management, and other firms.

The Babson College Fund program is for highly self-motivated individuals with a strong interest in finance and investments. Participation requires a full year commitment. BCF managers must enroll in the Babson College Fund course (Fin4520 and Fin4521 for undergraduates and Fin7572 for MBA students) in both the fall and spring semesters of their participation year. The courses must be taken for credit and a grade.

The first semester begins with two intensive seminars. Throughout the year, the full management team meets once a week, on Monday's, from 6:30pm to 9:15pm. During the weekly meetings, managers review the fund's performance, present their research and stock picks, conduct organizational business, and discuss issues and topics related to the management of the fund. Faculty Director Rick Spillane and the Executives-In-Residence give feedback and guidance, answer questions, and provide instruction on investment related topics on an as-needed or requested basis. Throughout the year, BCF managers are given opportunities to meet with investment industry professionals, both at Babson and at professional events.

The second semester of the program builds on the first. The semester includes one seminar covering investment research and management issues. Grades are based on: the quality and quantity of research; performance of your team's sector versus the sector benchmark; professionalism; faculty-evaluation; and a final project. The class is case-based teaching -- the case being the actual management of real money. It is not a lecture course and is not a substitute for the Equity Portfolio Management class or other finance courses.

The BCF portfolio is managed primarily as a research-oriented value fund. Management policy is subject to guidelines set by the Trustees thru their Investment Committee. At the direction of the Trustees, the portfolio is entirely equity. The investment process of the Babson College Fund is to aggressively apply conservative investment principles. That is, students conduct intensive fundamental and quantitative research to identify stocks that are good values at their current market prices. Students are encouraged to call or visit companies, suppliers, and customers, and conduct extra research aimed at gaining superior insights into each company's future performance. Selected stocks are then overweighted within a diversified portfolio. Managers monitor the fund's overall risk and the sources of risk, aiming to keep risk and tracking error within targeted bounds. Managers budget the allowable risk to the active positions expected to add the most value. The Fund's objective is long-term capital appreciation with a conservative level of risk.

It takes an extraordinary amount of time and effort to add value to an equity investment portfolio. BCF managers should expect to spend much more time and energy on their BCF responsibilities than what is required in a typical course.

The BCF team for 2010-11 will have 22 student members, divided into eight sub-teams. There is a team comprising two Executive Portfolio Managers, a Quantitative/Risk Management team, and a team for each equity sector: Technology, Consumer, Basic Materials/Energy, Industrials, Healthcare, and Utilities/Telecom. The Quantitative/Risk management team conducts risk management, optimization, and attribution analysis, fund accounting and reporting. The Executive Portfolio Managers manage the organization and are responsible for running meetings, coordinating the teams, placing trades, and monitoring compliance of trades and holdings, among other responsibilities.

The new managers will serve from May 2010 to May 2011.

## **Responsibilities of Managers:**

BCF managers are expected to:

- master the investment management tools and databases available in the Cutler Center;
- conduct extensive equity research and analysis;
- select stocks based on their research;
- conduct analysis to determine the optimal portfolio weights for the securities held;
- monitor, evaluate, and rebalance the portfolio as necessary;
- draft reports detailing fund performance;
- evaluate and update control documents such as: the Investment Philosophy Statement; Investment Policy Statement; Investment Process document; and the Fund's Procedures and Protocols handbook;
- present the activities of the BCF to the Babson community;
- conduct outreach activities to broaden student involvement in the activities of BCF and the Babson Investment Management Association (BIMA);
- present their research at public forums such as BIMA meetings;
- attend seminars on equity analysis and portfolio management, which will be presented by the Faculty Advisor;
- attend weekly meetings of the BCF portfolio management team;
- participate in the BCF kickoff and networking events;
- attend area events for investment professionals at least twice per semester. Qualifying events include analyst conferences sponsored by brokerages, and speaker events hosted by the Boston Security Analysts Society.

## **Eligibility Requirements:**

1. Babson College students from all MBA and undergraduate programs are eligible.
2. BCF managers must have completed the following academic courses by next September:
  - Two-Year MBA students must have completed Module IV
  - One-Year MBA students must have completed Module B
  - Evening MBA students must have completed Fin 7000 and ACC7000, or MBA8510.
  - Undergraduate students must have completed IME II.
  - MBA students must have completed Fin7503, Equity Portfolio Management, or plan to take it concurrently during their BCF year.
3. Student must hold a GPA of 2.9 or above and be in good academic standing.

### **Application Procedure and Selection Process:**

To apply, interested students must complete the application cover page form and email and electronic copy together with all required materials to Ms. Julie Bentley at [jbentley@babson.edu](mailto:jbentley@babson.edu), by **2pm on Thursday, April 1, 2010**. This is a firm deadline, and there will be no exceptions.

An electronic version is desired, but college transcripts and letters of recommendation may be sent directly to Ms. Julie Bentley by the issuing school or may be delivered by the candidate to Tomasso 120-124.

Select students will be invited for a 15-minute interview to be conducted by Fund Trustees, the Executives-in-Residence, and Professor Rick Spillane. At this interview the candidate should be prepared to discuss his or her education, experience, commitment, and philosophy relating to investment management. Evidence of demonstrated interest and commitment are highly valued. Following the interviews, the BCF Trustees and Faculty Director will select the student managers, and their decisions are final.

A goal of the selection process is to include student members from across Babson's academic programs, which include the Undergraduate, Two-Year MBA, One-Year MBA, Fast-Track MBA, and Evening MBA programs.

### **Application Materials:**

- The application cover page form, completed.
- Complete resume, indicating all current and previous schools attended since high school, employment, and extracurricular activities.
- An essay describing the candidate's experience, commitment, qualifications, and investment philosophy. Applicants are encouraged to cite concrete examples of interest in investment research and management, such as past participation in BIMA, prior employment experience, and reading of related books and publications. The essay should rank and explain your preferences for which sub-team you wish to join. The essay should describe any current employment the applicant might have and how the applicant plans to manage the time requirements of multiple commitments. Maximum length of the essay is 800 words.
- Unofficial Babson transcript and a letter authorizing the Faculty Advisor to verify the transcript.
- Either a) official transcript(s) from other colleges or universities attended, or b) unofficial transcript (including photocopies) accompanied by a letter from you agreeing to provide an official transcript should you be accepted to the program.

- A list of all courses in finance, accounting, economics, and mathematics taken since graduating high school, and related grades.
- A note describing computer programming and software expertise.
- Two or three letters of recommendation, one must be from a Finance Faculty. Letters, written on the forms provided in the application, should be sent directly from the recommender to Professor Rick Spillane, whose address is given below. Letters can be from Babson faculty, faculty at prior colleges or universities, or from work supervisors. At least one letter must be from a Babson College finance professor. Letters cannot be from current students. The letters should address how and how well the reference knows the candidate, the candidate's qualifications, integrity, maturity, motivation, and commitment.

### **Electronic Submission of Application Materials:**

Please provide us with an electronic submission of application materials via email, subject to the following rules and guidelines. Your assistance and compliance with the following rules and guidelines will be appreciated.

- All files must be in PDF format. No Word, JPG, GIF, or TIFF formatted files will be accepted.
- Each application item must be contained in a separate file. That is, the essay file should be kept separate from the resume file, etc.
- File names MUST conform to the following naming convention:
  - Cover page file name: LastName\_FirstName\_BcfCover.PDF. Resume file name: LastName\_FirstName\_Resume.PDF.
  - Essay file name: LastName\_FirstName\_Essay.PDF. If you yourself are delivering transcripts, rather than having them sent by the issuing institution, the file name should be: LastName\_FirstName\_Transcript\_InstitutionName.PDF.
  - Transcript verification letter (i.e. "I authorize the BCF program staff to verify the accuracy of the transcripts I have submitted with my BCF application. I promise to provide an official transcript from Yale University should I be accepted to the BCF program."): LastName\_FirstName\_TranscriptVerification.PDF.
  - List of finance, accounting, economics, and mathematics courses taken: LastName\_FirstName\_Courses.PDF.
  - Computer skills note: LastName\_FirstName\_ComputerSkills.PDF.
  - Your recommenders may choose to send us their letters of recommendation via email. Instructions for email submissions are included on the recommendation form.

***If you need clarification of these rules please contact the Program Director Rick Spillane or Cutler Center Program Coordinator Julie Bentley (contact information is below).***

**Additional Information:**

Additional information about the Babson College Fund program and portfolio can be found on the BCF website: <http://cutler.babson.edu/babsoncollegefund/default.aspx>. Applicants are encouraged to speak with current managers whose contact information is listed on the website.

**Contact:**

Completed applications must be delivered by **2pm on Thursday, April 1, 2010** to:

Ms. Julie Bentley  
Cutler Center Program Coordinator  
Babson College Fund  
Tomasso 120-124  
Telephone: 781-239-5518  
email: [jbentley@Babson.edu](mailto:jbentley@Babson.edu)

If you have any questions about the program or the application process, please contact:

Professor Rick Spillane  
Program Director  
Babson College Fund  
Tomasso Hall 201  
email: [rspillane@babson.edu](mailto:rspillane@babson.edu)