

Prospectus

FIN 6240 – Mutual Funds

Why Reading This Prospectus is Important

This prospectus explains the investment objective, policies, strategies, and goals of the class. To highlight terms and concepts important to students, I have provided Plain Talk® explanations along the way. Reading the prospectus will help you decide whether the class is the right class for you. I suggest that you keep this prospectus for future reference.

Semester:	Fall 2016
Instructor:	Dr. Joe Smolira
Credit:	2 hours
Location:	MC 110
Meeting Time:	6:15 – 9:00 p.m. T-R
Office:	Massey Center Room 437
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Office hours:	Tue: 3:15 – 6:15 Thurs: 3:15 – 6:15 and by appointment

Course description:

This course analyzes the elements that affect mutual funds. Key topics include the role of the mutual fund manager, the ownership of mutual funds, regulation and disclosure, mutual fund costs and how mutual funds are used in retirement planning by individuals.

Course objective:

Upon completion of the course, the student will have an understanding of the mutual funds and the knowledge to invest wisely in mutual funds.

Objectives of the Massey Graduate School of Business Administration:

- To provide a personalized career-oriented and practical educational program in Business Administration which emphasizes the four themes of: leadership, innovation, private enterprise and entrepreneurship.
- To equip students with the ability to: 1) communicate effectively, 2) think critically, and 3) make enlightened judgements about their environment.
- To emphasize quality classroom instruction within the parameters of Christian principles.

Text and supplementary materials:

- *Mutual Funds: An Introduction to the Core Concepts*, 2007, Mark Mobius, Wiley
- *All About Bonds and Bond Mutual Funds*, 3rd edition, 2009, Esme Faerber, McGraw-Hill
- *Bogle on Mutual Funds*, 1994, John Bogle, Dell Publishing

Course Policies and Procedures:

Always feel free to ask me any question on any work. Stop by my office sometime.

Learning in this course is derived from class discussion, a written project, and an examination. One in class open book, open PC examination will be given. Unless agreed to in writing in advance by the instructor, make-up exams will not be given and a grade of zero will be given for the missed exam. The use of word processors and/or spreadsheets is permitted during exams. It is the responsibility of the student to print the solution before the test is due. If a student does not complete the exam and return it to the instructor prior to the end of the exam period, he/she will receive a zero for that exam.

Students will complete a group paper concerning mutual funds. The paper should be 9-10 pages and compare and contrast three similar mutual funds, i.e. three Aggressive Growth funds, three Equity Income funds. The group will present their paper on December 8th in class. The final paragraph of the paper is a conclusion as to which fund you would recommend (buy) and why. In addition to the grade on the assignment given by the instructor, each student will grade all members of the group (including themselves). The grade for the project will be the grade given by the instructor multiplied by the average grade given by the other group members.

A couple of constraints on the paper: No index funds permitted and an average investor should be able to invest in the fund, so no funds that are closed to new investors or funds with a \$1,000,000 minimum (unless you have that much money to invest.)

Each student is responsible for adhering to all Jack C. Massey Graduate School of Business academic policies as described in *The Belmont University Graduate Bulletin, 2016-2017* and any subsequent modifications, extensions or interpretations.

Basis of student evaluation:

(Based on 130 total points)

Grading scale

93-100% = A	79-77% = C+
92-90% = A-	76-73% = C
89-87% = B+	72-70% = C-
86-83% = B	< 60% = F
82-80% = B-	

Other Information

We will be discussing two of my research papers. The papers are available on my website under the "Research" link:

Ervin, Danny M., Gregory K. Faulk, and Joseph C. Smolira, 2009, "The Impact of Asset Allocation, Savings and Retirement Horizons, Savings Rates, and Social Security Solvency in Retirement Planning: A Monte Carlo Analysis," *Financial Services Review*, Winter, 18, 313-331

Ervin, Danny M., Larry H. Filer, and Joseph C. Smolira, 2005, "International Diversification and Retirement Withdrawals," *Mid-American Journal of Business*, Vol. 20 No. 1, 55-62.

Spyder Prospectus

Go to www.spdrs.com and find SPYDERS (SPY). You can look up a quote on this website. If you click on the hyperlink for the name, you will be taken to a screen where you can download a prospectus.

Go to www.fidelity.com and download the prospectus and Statement of Additional Information for the Blue Chip Growth Fund (FBGRX) and the International Capital Appreciation Fund (FIVFX).

Tentative Class Schedule:

<u>Date</u>		<u>Assignment</u>
Nov	8	Mobius – Chapters 1, 2, 3 and 5 Bogle – Chapter 10
	10	Mobius – Chapter 6 Bogle – Chapters 3 and 11
	15	Faerber – Chapter 12 Bogle – Chapter 9
	17	Prospectuses Bogle – Chapter 4 Faerber – Chapter 13
	22	Project day
	29	Ed Burgess, Equitable Trust REITS
Dec	1	Faerber – Chapters 2, 4, 5, 8 and 9
	6	Eric Johnson and Randy Campbell, Morgan Stanley Mobius – Chapter 7 My research papers
	8	Projects due; Group presentation
	13	Exam