

CAL-STATE-FULLERTON

CSUF students learn investment skills, give back, by managing \$1.5 million endowment



Cal State Fullerton student Vivian Tang does a stock pitch to her class during their Titan Capital Management course in Fullerton, CA, on Thursday, Nov 21, 2019. (Photo by Jeff Gritchen, Orange County Register/SCNG)

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When Ken Oldar and Vivian Tang start to interview for jobs in the investment industry, they can point to their experience managing a \$1.5 million Cal State Fullerton endowment that funds the Mihaylo Tutoring Center and another that supports a Presidential Scholar.

The two seniors are among the 22 students in the rigorous and competitive Titan Capital Management class at Cal State Fullerton that gives students firsthand experience in securities analysis and portfolio management using real money.

Students who are accepted into the program begin with a three-day summer boot camp. Then they split into teams and over the next year manage either a stock or bond portfolio funded by the CSUF Philanthropic Foundation with support from alumni donations.

Students are also required to develop and defend research reports for a company they select, said Marcia Clark, lecturer in finance and program director.

"We've identified some clear steps they need to master to be ready," Clark said. "Not only their ability to analyze a company or a stock and a bond but it's also decision-making skills, communication skills and professional etiquette."

Not to mention the fact that they are working in the real world.

"It's their money. It's all real," Clark said. "If you make a bad decision, there are consequences."

Students' reports are challenged by the other students and graded by Clark and Kelly Ko, equity program director and lecturer in finance. If approved by the other students, the recommendation moves on to the advisory board, made up of CSUF finance professors and portfolio managers, for final approval.

At the Nov. 21 class, Oldar and Tang pitched their stock recommendations. Oldar, a business administration major with an emphasis in finance, told the class that stock in Nordson, a company that manufactures products used for dispensing adhesives, coatings and sealants, should be sold.

"I believe the stock has potentially reached its premium, top price," the 24-year-old said of his recommendation after the class. "Its growth is slowing

Tang, also a business administration major with an emphasis in finance, recommended that stock in Caterpillar be added to the fund.

"Although their revenues are not stable, they do have strong management that really are experts in navigating economic conditions and making them stay strong in downturns in the economy," she said after the class.

The students voted Tang's recommendation through but asked Oldar to beef up the acquisitions information. Because the two stocks were in the same industrials sector, there was the chance that they could be swapped out in the fund if Oldar's recommendation is eventually approved, Clark said.

Oldar said he is grateful to be part of the class, to be able to actively manage real money.

"It really is more pressure, it's a better opportunity," he said. "You're stepping outside book learning, theoretical problems you may never see in the real world."

Tang, who wants to get into the work world and then get an MBA, enjoys the small class size.

"Everybody is competitive and pushing everybody to be better," the 26-year-old said. "You're not going to be able to manage this money without a degree anywhere else."

"It also teaches me how to be aware of what's going on in the world and to pay attention to things on the market that might shift investors' actions," she said.

The program began in 2012 with a gift from **Jeffrey Van Harte**, a 1980 CSUF alum with a bachelor's in business administration-finance who is now **chairman and chief investment officer of Jackson Square Partners**. The program was formerly called the Applied Security Analysis Program.

Van Harte is a longtime board member, along with Robert Kargenian, founder and president of TABR Capital Management in Orange and another CSUF alum.

"The students are learning all these methods to analyze companies and create reports as if they were working at Goldman Sachs or PIMCO," Kargenian said. "We on the board are vetting their work. We're looking more

“A problem in the entire industry is that only about one in 10 positions in finance are held by women,” he said. “And those mirror the stats in the university’s finance department.

“More and more women are playing bigger roles, but it is slow.”

In the program’s first year, about \$5,000 went to the tutoring center, Kargenian said. That donation is now up to \$30,000.

Ko said Titan Capital Management graduates benefit from an emphasis on evidence-based decision-making and integrity.

“Our graduates stand out with a sense of humility and focus on the goals of the firm and client rather than focus on being an individual star,” Ko said.

At the first alumni gathering for TCM this past summer — which also included current TCM students — alumni said the program gives students an edge in the market.

“Having TCM on your resume gets your foot in the door,” said Laura Romine, a 2017 graduate who works at PIMCO. “When I interviewed at PIMCO, I could tell they were impressed. No one else had my hands-on experience, and I was on top of [financial news] and could talk about it fluently.”

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