

YBA GUEST
SPEAKER:
Ed Shen



INTRODUCTION

- My name is Ed Shen and I am 40 years old.
- I work for Ivory Capital
- Ivory Capital manages a portfolio of stocks for our clients who are pension funds, endowments and individuals.

- My role at Ivory Capital is Director of Research
- My job is to identify stocks that are attractive investment opportunities, perform research to validate these investments and monitor existing investments.

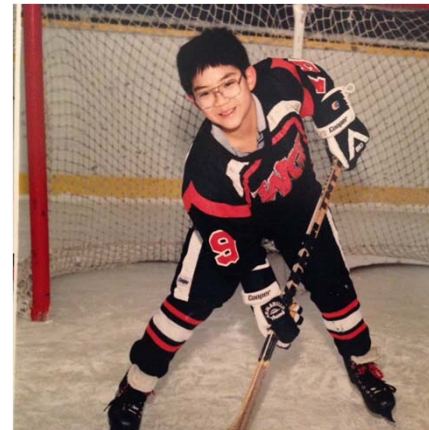
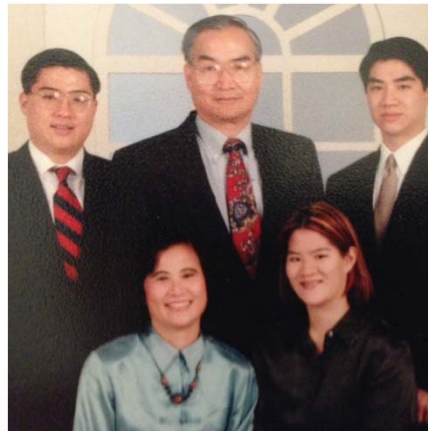
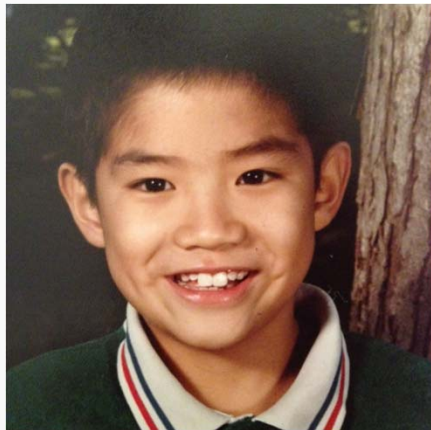


BACKGROUND

My parents moved to the US from Taiwan.

I was born in Albuquerque, NM and raised in St. Louis, MO

Parents instilled in me a strong work ethic

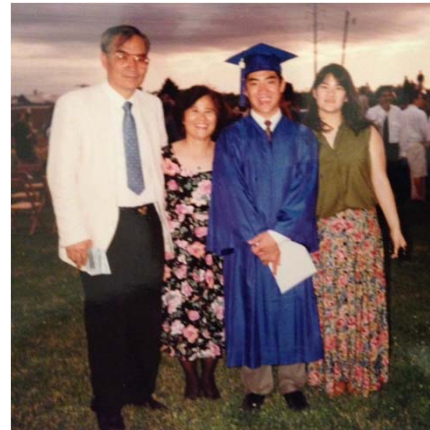


HIGH SCHOOL

- As a high school student I was very busy with classes, sports (ice hockey, water polo, wrestling) and music (trumpet).
- Worked summer jobs while in high school ranging from snack bar, telemarketing and lifeguard.
- Was always a challenge to balance my schedule



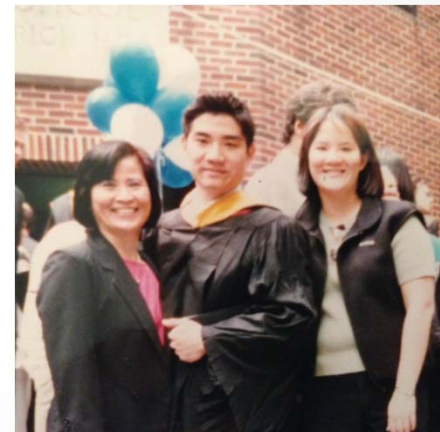
Here is me as a freshman in HS



Me and my family at my HS graduation

COLLEGE

- I attended college at University of Pennsylvania (Wharton) in Philadelphia, PA
- Having grown up in the Midwest, I loved being in a big city and getting to explore the East coast
- School work was much more challenging than what I was used to in high school, so had to work harder
- Was busy at college with work study job, hockey, extra-curricular activities, started small business with friend
- Worked in unpaid internships after Freshman and Sophomore years



CAREER

- The field of finance can be lucrative, but it is also extremely competitive. This is a field where hard work is needed to succeed
 - When I started in my career, I used to work 100+ hour weeks
 - Now I still get up and am in the office before 6am
- My current role is to research companies for our investment fund – this means figuring out how companies make money and whether they are likely to do better/worse than people expect
- What I like about my job is that it is always changing. I am learning new things every day. My job also involves many different types of skills including both analytical and people skills.



STOCK MARKET

- Isn't the stock market just a giant casino?
- What is a stock? A stock is a piece of a company that is traded on a stock exchange
- Why do stock markets exist? To enable companies that need capital to grow to raise money from investors.
- Who are investors? People's retirement money is invested in the stock market?

RESEARCHING A COMPANY

- How does a company make money?
- What type of industry is it in?
- Who are its customers? Competitors? Suppliers?
- Are there risks to the profits? How hard is it to compete with this company?
- What a company is worth is based on how much money the company is making, how fast that the profits are growing and the risks associated with the profits
- P/E ratio is a basic measure of valuation



COMPOUND INTEREST

- ***“Compound interest is the eighth wonder of the world. He who understands it, earns it... he who doesn't... pays it.”
-Albert Einstein***
- Exercise:
 - If you started with \$100 and earned 2% per year for 30 years, how much would you end up with?
 - What if you earned 4% per year?
 - What if you earned 8% per year?
- What does this mean for borrowing?
- What does this mean for investing?

QUESTION AND ANSWER

