

FIN450: Applied Portfolio Management
5-Nov-2007 Class Summary

Class speaker Mark Whitaker - VP & Equity Analyst - Wellington Management:

- Quick update on Mark's background
- Research analyst covering mid-cap companies

IHOP discussion:

- What do they do to actually make money? – Basic question every investor should ask himself/herself before committing a portion of his/her portfolio to that company.
- Discussion of Franchise business model practiced by IHOP and how it relates to the restaurant ownership which is favored by Applebee's
- What are the pros and cons of IHOP's deal for Applebee's? How is that going to affect bottom lines of those 2 companies?
- Proposed merger is supposed to bring a lot of risk in the short term, due to current unstable market conditions, amount of debt undertaken to finance the acquisition, and falling consumer confidence index. However, in the long term IHOP may turn things around for Applebee's and therefore this acquisition has a serious potential for a success.

Discussing Finance Opportunities in the industry:

- Internships: always good to obtain an internship, not necessary with a major financial institution.
- Full time positions: CFA designation or achieving masters' degree helps in the initial stages of once career.

Kent McCarthy's house visit:

- Updates on the current situation of LXU – discussion of the earnings call
- Updates on Golden Meditech
- Discussing current market conditions: raising oil prices, dollar depreciation and the likelihood these factors can trigger recession in the near term.