Case Assignment: Bill Miller and Value Trust
Finance 4385

As outlined in the syllabus, your group’s assignment is to prepare a case-write up for the Darden case entitled, Bill Miller and Value (F-1481). The case write-up should be 2-4 pages in length and turned in at the beginning of class on October 29th (One case write-up per group, paper copy only).

The case write-up should provide a brief overview of the case and well supported answers to the questions below. The best grades will be reserved for the groups that produce concise, yet effective discussion of the assigned questions.

Please answer the following questions using only material in the case unless otherwise noted (e.g., Question 6):

1. How well has Value Trust performed in recent years? In making that assessment, what benchmark(s) are you using? What does good performance mean to you?

2. What might explain the fund’s performance? To what extent do you believe an investment strategy, such as Miller’s, explains performance? How easy will it be to sustain Miller’s historical performance record into the future?

3. Consider the mutual fund industry. What roles do portfolio managers play? How well do mutual funds generally perform relative to the overall market?

4. What is capital market efficiency? What are its implications for investment performance in general? What are the implications for fund managers, if the market exhibits characteristics of strong, semi-strong, and weak efficiency?

5. Suppose that you are an advisor to wealthy individuals in the area of equity investments. In 2005, would you recommend investing in Miller’s Value Trust? Why?

6. Please provide a brief update on Bill Miller and the performance of Value Trust since the time the case was published (since 2006). You may use any source of information to answer this question.