Alternative Investments

Program outline:
Asset management industry is undergoing a major transition: institutional and individual investors have suffered from massive capital loss in classic investment products like long-only mutual funds and pension funds during financial markets turmoil in 2008-09 and now they are allocating more assets into alternative investment (AI) strategies managed under absolute return objective and less correlated with the direction of major asset classes. Hedge funds industry as well as private equity, venture capital, credit derivatives, commodities trading and real estate are booming.

This Alternative Investments Program (AIP) makes a hands-on introduction into alternative investments products and strategies, risk-return comparative analysis with classic investment funds and the role of AI in the diversified investment portfolio. AIP is focused on major hedge funds strategies and their risk/return profiles along with risk management techniques. AIP has a strong bias towards real life applications of econometric models (via Microsoft Excel Data Analysis Toolpack) where students train financial advisor's day-to-day skills.

AIP is based on well-know Chartered Alternative Investment Analyst (CAIA) and Chartered Financial Analyst (CFA) programs.

Syllabus:

Chapter 1. Asset allocation in diversified investment portfolio.


Chapter 2. Fundamentals of active investment management.


Chapter 3. Introduction into hedge funds.

Chapter 4. Risk management with hedge funds.


Prerequisites

A target audience for AIP are portfolio managers, financial advisors, pension funds managers responsible for investment portfolio management and strategy. Basic knowledge of Macroeconomics, Econometrics, Equity and Fixed Income valuation, Modern Portfolio Theory, Risk Management and pricing of derivatives is required. It assumes that students are familiar with Microsoft Excel Data Analysis Add-In Toolpack.

Author

Andrey Bershadsky has graduated (with honors) from Moscow Institute of Physics and Technology (MIPT) in 2000, received a PhD in Applied Mathematics in 2002. Andrey has an extensive experience in financial markets where he went from market risk management to fixed income fund management roles. At the moment he is with VTB Capital Asset Management as Fixed Income Fund manager with total assets under his supervision exceed USD 3 bln.

Evaluation and tests

Evaluation of AIP is based on scoring and credits that students collect during the classes and homework. The final grade consists of two pillars:
• 50% comes from student's home assignments (a case of past performance analysis of Russian mutual fund performed by the student and presented to the group during the classes)
• 50% comes from final test (multiple choice)

Reading

Main Reading:

Further Reading:

Internet:
17. SEEKING ALPHA: http://seekingalpha.com/
http://www.iijournals.com/toc/jai/current