

## **Syllabus**

### **Asset Management**

**Faculty: Economics**

**Year: 2018/19**

**Course name: Asset Management**

**Level: Master**

**Language of instruction: English**

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#### **1. Course Description**

**Course Title:** Asset Management

**Course Prerequisites:** financial markets / financial economics and theory of finance are prerequisites for this course. Basic understanding of derivatives is advisable.

**Course Type:** Optional

**Abstract:** The course encompasses the study and practice of asset management. The course provides students with a learning experience primarily from a practical perspective ensuring that graduates are ready and able to fulfil their potential as future successful asset managers. For this purpose the course is comprehensive of leading-edge applied academic research and commercial best practice at a global level.

The course focuses primarily on investment-centric topics leaving aside client-centric topics. It gives an insight into the investment management area as it is currently understood and practiced to make sound and balanced investment decision-making. In addition to a path of an asset manager the course is useful for pursuing a career of a private banker (wealth manager),

plan sponsor, investment officer, in-house investment consultant or independent financial advisor, and financial analyst. The course gives students the opportunity to study topics for the level I and level II CFA exams.

## **2. Learning objectives**

The key objectives of the course are to provide students with sufficient knowledge in the area of managed investment solutions. The course is aimed at:

- Giving students an integrated and systematic view of the asset management industry with a blend of commercial best practice and market-facing research;
- Familiarizing students with basic investment strategies, methodologies and techniques;
- Familiarizing students with emerging trends in asset management and emerging trends in asset allocation;
- Offering students to participate in a real-life asset management activity;
- Giving students an opportunity to learn analytical and technical financial skills and investment decision-making skills to successfully perform in an increasingly complex finance environment.

## **3. Learning outcomes**

Upon completion of the course students are supposed to be able to:

- Understand the logic of the investment management process, its key concepts and qualitative and quantitative techniques;
- Understand different types of investment portfolios, their specificities and main characteristics;
- Evaluate relevance of a range of financial / non-financial assets to specified investment objectives;
- Implement trading strategies across a range of financial / non-financial assets and globally;
- Possess sufficient knowledge and flexibility in developing each stage of the investment management process and in taking qualified decisions at each stage.
- Employ fundamental and advanced theory and practice to manage investment portfolios efficiently and effectively;
- Understand psychological aspects of asset management

## **4. Course outline**

№	Topics	Contact Hours				Home reading & assignment
		Week	Lectures	Week	Tutorials	
1	Traditional Investment and Investment policy statement (IPS)	1	2	1	2	8
2	Fixed-income portfolio management and equity portfolio management	2	2	2	2	8
		3	2	3	2	8
		4	2	4	2	8
3	Passive and active investment management	5	2	5	2	8
		6	2	6	2	8
4	Alternative investment / Sophisticated investment	7	2	8	2	8
		8	2	8	2	8
5	Portfolio performance evaluation	9	2	9	2	8
6	Psychological aspects of investment	10	2	10	2	8
<b>Total</b>			<b>20</b>		<b>20</b>	<b>80</b>

## **5. Texts, readings and other informational resources**

### *Required readings:*

Managing Investing Portfolios: A Dynamic Process. Edited By J. Magnin, D. Tuttle, D. McLeavey, J. Pinto. 3rd Edition. J. Wiley & Sons, 2007.

### *Additional readings:*

Ang, A. Asset Management: A Systematic Approach to Factor Investing. Oxford University Press, 2014

### *Journals:*

Selected articles are mentioned in lecture notes. Students are encouraged to search through the following journals for articles related to the field: Journal of Portfolio Management, the Journal of Asset Management, Journal of Investment Management, Journal of Finance, The Review of Finance, Journal of Financial Markets.

Ang, A., Rhodes-Kropf, M., Zhao, R. 2008. Do Funds-of-funds Deserve their fees-on-fees? Journal of Investment Management, 6, 34-58.

Berk, J., Van Binsbergen, J. 2012. Measuring Managerial Skill in the Mutual Fund Industry, Journal of Financial Economics, 2015, 118 (1), 1-20.

Hedge Funds, Leverage, and the Lessons of Long-Term Capital Management. Report of the President's Working Group on Financial Markets, April, 1999.

Stein, J. 2005. Why Are Most Funds Open-end? Competition and the Limits of Arbitrage. The Quarterly Journal of Economics, 120, 247-272.

Stonham, P. 1999. Too Close To The Hedge: the Case of Long Term Capital Management. Part One: Hedge Fund Analytics. European Management Journal, 17, 282-289.

Stonham, P. 1999. Too Close To The Hedge: the Case of Long Term Capital Management. Part Two: Near-Collapse And Rescue. European Management Journal, 17, 382-390.

Takahashi, D., Alexander, S. 2002. Illiquid Alternative Asset Fund Modeling. The Journal of Portfolio Management, 28 (2), 90-100.

Wermers, R. 2000. Mutual Fund Performance: An Empirical Decomposition into Stock Picking Talent, Style, Transactions Costs, and Expenses. The Journal of Finance, 55, 1655-1703.

## **6. Grading system**

Students' performance is evaluated on a 10-point mark scale as follows:

<b>Points</b>	<b>Description</b>
10	Distinguished performance
8-9	Excellent performance
6-7	Good performance
4-5	Satisfactory performance
0-3	Fail

## **7. Guidelines for knowledge assessment**

Students' performance is evaluated as follows:

- Presentation at tutorials and portfolio performance (50%)
- Final graded test (50%)

The rounding of the definitive grade is conducted in accordance with the standard mathematical rounding rules. The rounding of the intermediate grades is not conducted to avoid the rounding bias.

The final graded test in a written form will be arranged for the exam week of term 2. Students will be given 2 hours to accomplish the test.

*Make-up policies and policies on late work*

**Students who fail or miss the final graded test will not resit it.** For those students who have to miss the final graded test with **an admissible excuse**, we will make it up in due time.

### **8. Special equipment and software support**

Not required.