

## **Asset Management Course Syllabus**

<b>Instructor</b>	Victoria Rodina, Faculty of Economic Sciences
<b>Credits</b>	5
<b>Contact Hours</b>	40 hours
<b>Home reading</b>	92 hours
<b>Master's Programme</b>	Strategic Corporate Finance
<b>Study Mode</b>	Full time

### **I Learning objective, learning outcome and prerequisites**

#### **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 asset management 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 wealth manager, plan sponsor, investment officer, in-house or independent financial advisor, and financial analyst. The course gives students the opportunity to study topics for the level I and level II CFA exam.

#### **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 asset management with a blend of commercial best practice and market-facing research;
- Familiarizing students with the modern shape of the asset management industry and key factors governing demand and supply;
- Familiarizing students with basic investment strategies and techniques as well as with emerging trends in asset allocation;
- 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.

#### **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;

- Evaluate relevance of a range of financial and non-financial assets to designated investment objectives;
- 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.

### Course Prerequisites

Introductory financial markets (or introductory financial economics), and theory of finance are prerequisites for this course. Basic understanding of derivatives is advisable.

### II Course outline

Nº	Topics	Contact hours	Home reading	Control tools	
1	<b>Organization and legislature in asset management</b> Investment-centric and client-centric approaches; wealth management and asset management concepts; stages of asset management; investment policy statement; regulatory and legal landscape; types of collective investment schemes; types of investors	Lecture 4 Tutorial 4	Home work 16	Report preparation and delivery	<b>Final test</b>
2	<b>Fixed-income portfolio management</b> Types of bonds; bond pricing principles; quantitative analysis for bonds; qualitative analysis for bonds; analysis of spot rates; strategies to reduce price volatility; immunization	Lecture 4 Tutorial 4	Home work 20	Report preparation and delivery; numerical problem set	
3	<b>Equity portfolio management</b> Selection of stocks and diversification of portfolios; pitfalls in portfolios optimization in practice; top-down and bottom-up analysis; E-I-C analysis; absolute valuation and relative valuation	Lecture 4 Tutorial 4	Home work 20	Report preparation and delivery; numerical problem set	
4	<b>Passive and active asset management</b> Asset allocation in practice; passive vs active asset management; effectiveness of highly involved strategies; market timing and selectivity; growth investing and value investing	Lecture 4 Tutorial 4	Home work 20	Report preparation and delivery; numerical problem set	
5	<b>Sophisticated asset management</b> Leverage, derivatives and short selling; amplified return; actively managed ETF, leveraged, inverse, and inverse leveraged ETF; hedge funds (identification, evolution, diversity, strategies); portfolio performance measurement and attribution	Lecture 4 Tutorial 4	Home work 16	Report preparation and delivery	
<b>Total hours</b>		<b>40</b>	<b>92</b>		

### III Guidelines for knowledge assessment

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

Points	Description
10	Distinguished performance

8-9	Excellent performance
6-7	Good performance
4-5	Satisfactory performance
0-3	Fail

**The definitive grade is made up of a grade for home assignment with 50% weight and a grade for the final test with 50% weight.** The definitive grade is rounded in accordance with the standard mathematical rules. The intermediate grades are not rounded to avoid biases. The tutorials of the course are designed for teams of students to present reports on relevant topics. The final test will be closed-book, in a written form, and will be arranged at the end of the course. Students will be given 1.5 hours to accomplish it.

### **Make-up policies and policies on late work**

If a student from a team of students misses their tutorial presentation and does not have an admissible excuse, this student will get the null grade. Otherwise this student will get the same grade as the rest of the team. An admissible excuse means that a student is ill on the date of their tutorial presentation. If a student from a team of students does not contribute to preparing their tutorial presentation and does not have an admissible excuse this student will get the null grade. Otherwise, this student will be given an opportunity to join another team. An admissible excuse means that a student is ill for no less than 50% of the preparation period which starts on the date the home assignment is announced and ends on the date the tutorial presentation is delivered.

A student who fails the final test or misses the final test and does not have an admissible excuse will not resit it. An admissible excuse means that a student is ill on the final test date. If this student misses the final test with an admissible excuse, we will make it up in due time.

### **IV Sample questions**

There are no control tools with blocking capacity for the course.

### **V Suggested readings and information resources**

#### **Required readings:**

##### *Lecture slides*

Lecture slides will be distributed upon completion of each lecture in PDF.

##### *Textbooks*

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

#### **Additional readings:**

##### *Textbooks*

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

### *Journals*

Students are encouraged to search through the following journals for relevant articles: Journal of Portfolio Management, the Journal of Asset Management, Journal of Investment Management, Journal of Finance, The Review of Finance, and Journal of Financial Markets.

### *Selected articles*

Students are advised to read the following articles:

- 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.
- 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.

### **VI Software support and special equipment**

Lecture rooms equipped with a laptop connected to a multimedia projector under remote control.