

- Faculté des sciences économiques
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Portfolio Management (5AF2007)

Filières concernées	Nombre d'heures	Validation	Crédits ECTS
Master en finance	Cours: 2 ph	Voir ci-dessous	3

ph=période hebdomadaire, pg=période globale, j=jour, dj=demi-jour, h=heure, min=minute

Période d'enseignement:

- Semestre Printemps

Equipe enseignante

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Contenu

This course introduces students to the core concepts of modern portfolio management.

The first part of the course discusses the economics of investment markets: determinants of the equity and the bond premium, the impact of inflation on investment returns, optimal portfolio choice in the presence of intertemporal risk or non-financial income, and simple models of trading and liquidity.

The second part of the course applies these concepts to the data. We first learn how to measure the performance of an investment strategy and then review popular techniques that are designed to "harvest" risk premia. We conclude by discussing psychological challenges in the investment process; common errors that can be observed among retail as well as professional investors.

Tentative Course Outline:

- Introduction and the SDF Framework
- The Consumption-Based Asset Pricing Model
- The Equity Premium Revisited
- The Bond Premium and Inflation
- Intertemporal Risk
- Trading and Information
- Performance Measurement: Comparing Return & Risk
- Performance Measurement: Factor Models
- Cross-Sectional Strategies
- Market Timing Strategies
- Behavioral Finance and Common Investment Errors

Forme de l'évaluation

Final exam: 120-minutes written exam during the last lecture of the semester.

Retake exam: 120-minutes written exam (100%) during the exam session.

Neither documents nor connected devices are permitted during the exams. A simple calculator is permitted and a cheat sheet (one page DIN-A4, back and front, handwritten). In case of violation of these rules, the students are in a situation of fraud and the unauthorized items will be removed. The exam could be deemed as failed.

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Documentation

Campbell, J.Y. (2018): Financial Decisions and Markets: A Course in Asset Pricing. Princeton University Press

Pré-requis

Asset Pricing.

Forme de l'enseignement

Lectures: two hours per week.

Objectifs d'apprentissage

Au terme de la formation l'étudiant-e doit être capable de :

- Evaluate the performance of asset managers
- Explain the concepts of different portfolio management strategies orally or in writing
- Use appropriate theoretical models and concepts for the purpose of portfolio management
- Identify classic investment strategies based on stock-picking, asset characteristics and market-timing
- Describe information processing in financial markets and the short-term behavior of asset prices
- Recommend attractive investment opportunities using appropriate methods
- Calculate different dimensions of financial risk
- Explain appropriate performance measurement techniques
- Assemble conceptual knowledge

Compétences transférables

- Apply knowledge to new situations
- Decision making
- Communicate in a second language