

- 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

The first part of the course provides an introduction to principles portfolio management. In particular, we learn how different client needs and constraints lead to a different optimal portfolio mix of the major asset classes like bonds, stocks, real estate, and alternatives. Combined with long-term expected returns for different asset classes, we derive the "Strategic Asset Allocation" of a portfolio. We then investigate how time-varying investment opportunities might lead to a "Tactical Asset Allocation". We learn how to choose appropriate performance measures and how they can be theoretically motivated.

In the second part of the course, we study popular strategies for equity portfolios. We analytically show under which conditions active investing outperforms passive investing and we might be able to "beat the market". We then look closer at popular strategies like factor investing, ESG investing, or global investing. We apply the introduced concepts in a case study and analyse current topics in portfolio management.

If time allows, we discuss how incentives, ethics, and policy might affect a portfolio manager's performance. The course "Finance Ethics" provides detailed coverage of these important topics.

Learning objectives for sustainable finance:

- Sustainable and Responsible Investment (SRI): overview on different investment strategies and products (benefits, cost, performance).
- Sustainability in Banks and Insurance Companies: overview on recent regulations and policy discussions.
- Evaluation of the Sustainability Performance of Companies: presentation of different ESG ratings (the problem of measurability, limitations, comparisons)

Forme de l'évaluation

Final exam: 120-minutes written exam during the exam session.

Retake exam: 120-minutes written exam during the exam session.

Allowed tools: A simple calculator is permitted and a cheat sheet (one page DIN-A4, back and front, handwritten, NOT printed).

Other documents or connected devices are permitted during the exams. In case of violation of these rules, the students are in situation of fraud and the unauthorized items will be removed. The exam could be deemed as failed.

Documentation

- Stewart, Piros and Heisler (2019): Portfolio Management, Theory and Practice (SPH), Chapters 1, 2, 3, 4, 6, 7, 10, 12, 13, 14, 15
- CFA – Level 1, Quantitative Methods: Readings 6, 7, 8, 9, 10, 11
- CFA – Level 1, Portfolio Management: Readings 51, 52, 53, 54, 57
- CFA – Level 2, Portfolio Management: Readings 43, 44, 45, 46, 47, (48)

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Pré-requis

Asset Pricing, Quantitative Methods for Finance.

Forme de l'enseignement

Lectures: two hours per week.

Objectifs d'apprentissage

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

- Explain the concepts of different portfolio management strategies orally or in writing
- Use appropriate theoretical models and concepts for the purpose of portfolio management
- Describe information processing in financial markets and the short-term behavior of asset prices
- Recommend attractive investment opportunities using appropriate methods
- Explain appropriate performance measurement techniques
- Evaluate the performance of asset managers

Compétences transférables

- Generate new ideas (creativity)
- Apply knowledge to new situations