APPLIES TO ACADEMIC YEAR 2002/2003

GRA 6531 Portfolio Management

Program
Advanced Specialization Course (MSc), Master of Science in Business Administration (MScBA), Master of Science (Financial Economics)

Responsible for the course
Bruno Gerard

Department
Financial Economics

Term
Fall

ECTS Credits
6

Objective

Theoretical and applied coverage of advanced portfolio management tech-niques, for equity only portfolios, for fixed income only portfolios and for mixed port-folios. Special consideration for pension, insurance and national fund portfolios.

Prerequisites
Theory of Finance and Investments

Compulsory literature

Grinold, Richard C. and Ronald N. Kahn. 2000. *Active portfolio management* : *A quantitative approach for providing superior returns and controlling risk.* 2nd ed. New York: Irwin/McGrawHill.
Fabozzi, Frank J. and Gifford Fong. 1994. *Advanced fixed income portfolio management: The state of the art.* Chicago, IL.: Probus.

Recommended literature

Bodie, Zvi, Alex Kane and Alan J. Marcus. 2002. *Invesments* . 5th ed. Boston, MA.: Irwin/McGrawHill.

Course outline

The course will unfold as follows:
• Review of the Portfolio Management Process
• Asset Classes and their risk return characteristics (domestic and international equity and fixed income markets, emerging markets, real estate, commodities, venture capital)
• Passive Equity portfolio Management
• Active Equity Portfolio Management, including
  — Tactical Allocation
  — Active Strategies
  — Optimal implementation of active strategies. The Treynor and Black and the Black-Litterman approaches.
• Fixed Income Portfolio management
  — Review of pricing and risk measures for plain vanilla fixed income assets
  — Asset backed securities
  — Risk and yield management for fixed income portfolios
• Currency risk and international portfolio management.
• Special constraints for institutional investors: pension funds, mutual funds, insurance funds, foundations, and national funds.
• Performance measurement
  — Performance measures

    — Choice of benchmark
- If possible, guest lectures on equity and fixed income management by professional portfolio managers

Computer-based tools
Excel based projects - Use of DataStream database

Course structure
Lectures and Cases discussions

Evaluation
50% Cases/projects. 50% exam.

Evaluation code(s)
GRA 65311 cases/projects 50%
GRA65312 exam 50% (two hours)

Aids at the examination
Calculator

Makeup exam
At the next ordinary exam.