APPLIES TO ACADEMIC YEAR 2005/2006

GRA 6531 Portfolio Management

Program
Advanced Specialization Course (MSc), Master of Business and Economics Program, Master of Science in Business, Master of Science in Business (Finance), Master of Science (Financial Economics)

Responsible for the course
Bruno Gerard

Department
Financial Economics

Term
According to study plan

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
GRA 6533 Theory of Finance and GRA 6534 Investments or equivallent

Compulsory literature
Books:
Litterman, Bob and the Quantitative Resources Group GSAM. 2003. Modern Investment Management: An Equilibrium Approach. Hoboken, N.J.: Wiley

Recommended literature
Books:
Bodie, Zvi, Alex Kane and Alan J. Marcus. 2005. Invesments. 6th ed. Boston, MA.: Irwin/McGrawHill.

Campbell and Viceira. 2002. Strategic Asset Allocation: Portfolio Choice for Long-Term Investors. Oxford University Press
Fabozzi, Frank J. and Gifford Fong. 1994. Advanced fixed income portfolio management: The state of the art. Chicago, IL.: Probus.

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.
• 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, Blackboard/homepage

Course structure
Lectures and Cases discussions, 36 hours

Evaluation
Your course grade will be based on the following activities and weights:
60% Class work (in the form of a mix of some/ all of the following: hand in of case write ups, projects, and homeworks; case presentations and discussions as well as class participation).
40% exam (two hours)

Since the major fraction of the course grade is based on class work and in particular on class participation and case presentations and discussions, class attendance is mandatory. More than 1 unexused absence will result in a lower score. More than three unexcused absences will result in a failing grade. Please check Blackboard before the start of the course to get the schedule. The course starts immediately at the beginning of the semester.

Specific Information regarding any aspect of student evaluation will be provided in class. It is the student's responsibility to obtain this information. Please note that it is the students responsibility to obtain any information provided in class that is not included on the course homepage/Blackboard or text book. Homepages and/or Blackboard are not designed for the purpose of students who choose not to attend class.

Evaluation code(s)
GRA 65313 accounts for 100 % of the final grade in the course GRA 6531.

Aids at the examination
Financial Calculator. Bilingual dictionary

Makeup exam
Re-takes are only possible at the next time a course will be held. When course evaluation consists of class participation or process elements, the whole course must me re-evaluated when a student wants to retake a exam. Retake examinations entail an extra examination fee.