APPLIES TO ACADEMIC YEAR 2016/2017

GRA 6531 Portfolio Management

Programme
Master of Science in Business, Master of Science in Business (Finance), Master of Science in Finance, Specialization Course

Responsible for the course
Bruno Gerard

Department
Department of Finance

Term
According to study plan

ECTS Credits
6

Language of instruction
English

Introduction
This course is taught in English

Learning outcome
Theoretical and applied coverage of advanced portfolio management issues and techniques, for equity only portfolios, for fixed income only portfolios and for mixed portfolios. Special consideration for pension, insurance and sovereign fund portfolios.

Prerequisites
GRA 6534 Investments or equivalent
GRA 6543 Introduction to Asset Pricing or equivalent
All courses in the Masters programme will assume that students have fulfilled the admission requirements for the programme. In addition, courses in second, third and/or fourth semester can have spesific prerequisites and will assume that students have followed normal study progression. For double degree and exchange students, please note that equivalent courses are accepted.

Compulsory reading
Books:
Litterman, Bob and the Quantitative Resources Group, GSAM. 2003. Modern investment management : an equilibrium approach. Wiley

Other:
Diverse authors. Cases in portfolio management. Course specific case book available from XANEDU.com (NEW selection of cases each year - do not purchase previous year case book)
During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.
Further readings and handouts may be assigned during the course and may be relevant for the final examination

Recommended reading
Books:
Bodie, Zvi, Alex Kane, Alan J. Marcus. 2014. Investments. 10th global ed. McGraw-Hill Education
Campbell, John Y., Luis M. Viceira. 2002. Strategic asset allocation : portfolio choice for long-term investors. Oxford University Press
Edwin Elton, Martin Gruber, Stephen Brown and William Goetzmann. 2014. Modern Portfolio Theory and Investment Analysis. 9E. Wiley
Grinold, Richard C., Ronald N. Kahn. 2000. Active portfolio management : a quantitative approach for providing superior returns and controlling risk. 2nd ed. McGraw-Hill

Course outline
The course will cover among others the following topics:
- Review of the Portfolio Management Process. The Investment Policy Statement
- Investment process - client perspective

- Risk and Return - Historical record Portfolio Optimization and Asset AllocationCAPM, APT and Multifactor Models Applying the CAPM : The Black-Litterman Approach
  Risk Management and VAR Managing Currency Risk and the International Dimension in Investment Management
- Portfolio Performance Evaluation and Manager Assessment
- Efficient markets and Active Management.
- Ethical Investments and the Ethics of Investment Management
- Alternative Investments and Hedge Fund Strategies
- Trading and Implementation
- Topics may be added and removed from the course to reflect on current issues and development in the asset management and investment field.
- If possible, guest lectures on equity and fixed income management by professional portfolio managers

Computer-based tools

Learning process and workload
A course of 6 ECTS credits corresponds to a workload of 160-180 hours.
Lectures and Case discussions. Most learning will take place through student discussion of cases or computer assignments related to portfolio management.

Students will be responsible to prepare in groups a case or computer assignment for discussion prior to each class meetings. Each student must be prepared to present the case and to discuss her/his conclusions in the class room

Please note that it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

Examination
The course grade will be based on the following activities and weights:
20% class participation and presentation
30% case write ups and computer exercises (6 alltogether, all turned in on paper, returned to the students prior to the end of the course)
10% write up for the last case and last computer assignment of the class (2 together - these last two assignments will be retained by the instructor after the course)
40% written examination 3 hours

Form of assessment	Weight	Group size
Class participation	20%	
Case work	30%	
Case work	10%	
Written examination 3 hours	40%	Individual

Specific information regarding student assessment will be provided in class. This information may be relevant to requirements for term papers or other hand-ins, and/or where class participation can be one of several components of the overall assessment. This is a course with continuous assessment (several exam components) and one final exam code. Each exam component is graded using points on a scale from 0-100. The final grade for the course is based on the aggregated mark of the course components. Each component is weighted as detailed in the course description. Students who fail to participate in one/some/all exam components will get a lower grade or may fail the course. You will find detailed information about the points system and the mapping scale in the student portal @bi. Candidates may be called in for an oral hearing as a verification/control of written assignments.

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

Examination support materials
BI approved exam calculator
Bilingual dictionary
Permitted examination support materials for written examinations are detailed under examination information in the student portal @bi. The section on support materials and the use of calculators and dictionaries should be paid special attention to.

Re-sit examination
It is only possible to retake an examination when the course is next taught. The assessment in some courses is based on more than one exam code. Where this is the case, you may retake only the assessed components of

one of these exam codes. All retaken examinations will incur an additional fee. Please note that you need to retake the latest version of the course with updated course literature and assessment. Please make sure that you have familiarised yourself with the latest course description.

Additional information
Honour code. Academic honesty and trust are important to all of us as individuals, and are values that are integral to BI's honour code system. Students are responsible for familiarising themselves with the honour code system, to which the faculty is deeply committed. Any violation of the honour code will be dealt with in accordance with BI’s procedures for academic misconduct. Issues of academic integrity are taken seriously by everyone associated with the programmes at BI and are at the heart of the honour code. If you have any questions about your responsibilities under the honour code, please ask. The learning platform itslearning is used in the teaching of all courses at BI. All students are expected to make use of itslearning.