

## COURSE DESCRIPTION AND OUTLINE

Subject Information	
Name	Portfolio Management
Course Code	
Degree	Degree of Business Administration and Management
Year is taught	4º E2/E4
Semester	1º y 2º
ECTS Credits	5
Type of Course	Optional
Department	Financial Management
Area	Finance
University	Universidad Pontificia Comillas
Timetable	
Professors	M Teresa Corzo Santamaría (coord.); Ignacio Cervera Conte; Isabel Figuerola Ferretti; M Esther Vaquero Lafuente
Descriptor	

Teaching Staff	
Coordinator	
Name	M Teresa Corzo Santamaría
Department	Financial Management
Area	Finance
Office Room	OD-216
e-mail	mcorzo@comillas.edu
Phone ext.	2235
Tutorials	To be announced in class
Timetable	

Teaching Staff	
Professor	
Name	Oscar Marcos Mallo; Mahmoud Aymo
Department	Financial Management
Area	Finance
Office Room	To be announced in class
e-mail	To be announced in class
Phone ext.	To be announced in class
Tutorials	To be announced in class
Timetable	

## DETAILED COURSE INFORMATION

Course context and application
Contribution to Degree's professional profile

This course teaches students the basics of professional portfolio management. The purpose is that students learn how to manage investors' money so that they will derive the maximum benefit from the savings.

To accomplish this purpose, students will learn about investment alternatives that are available today and, what is more important, will develop a way of analyzing and thinking about investments that will remain in the years ahead, and will also help them with their own portfolios.

This course is intended to be both rigorous and empirical, without being overly quantitative. The materials mix theory and empirical studies. The theoretical portion details how the portfolio manager should evaluate current investments and future opportunities to develop a portfolio of investments that will satisfy the investor risk-return objectives.

Also the discussion of empirical studies and short cases is essential to link investment theories with the real world and the current financial/economic issues.

### Prerequisites

This course takes place during the last year of a business undergraduate student, and it needs to be taken after an initial course on Finance (Corporate Finance, Financial Management or the like). It assumes the student is familiar with Accounting and Financial Statements and with the different financial assets and its valuation. So it is advisable to have taken a course on Financial Analysis. Knowledge about statistics and basic econometrics will also help.

The topic is taught in English and most of the material, bibliography and recommended readings will be in English. All students must be fluent in English to be able to follow the course.

## CONTENTS

<b>Program</b>
<b>Part I: Investments</b>
<b>Chapter 1: Developments in Investment Theory</b>
1.1 Modern Portfolio Theory: Asset Pricing Models 1.2 Risk management in common stocks portfolios 1.3 Active versus passive investment strategies.
<b>Chapter 2: Bond Portfolios</b>
2.1 Bond fundamentals 2.2 Fixed income portfolios 2.3 Bond portfolio management strategies
<b>Chapter 3: International Investing</b>
3.1 Investing in international markets 3.2 The global asset allocation decision: Risk-return trade-off
<b>Chapter 4: Investments Funds</b>
3.1 Mutual Funds analysis 3.2 Pension Funds analysis 3.3 Alternative investing and Hedge Funds
<b>Chapter 5: Specification and Evaluation of Asset Management</b>
5.1 Professional Asset Management 5.2 Evaluation of Portfolio Performance

5.3 GIPS (Global Investment Performance Standards)
<b>Chapter 6: Asset Manager Code of Professional Conduct</b>
<b>Part II: The Investor</b>
<b>Chapter 1: Investor Analysis</b>
1.1 Individual and professional investors: investment goals 1.2 European regulations: MIFID and the financial advisor 1.3 Policy Statement 1.4 The portfolio management process

## TEACHING METHODOLOGY

<b>General methodological aspects of the course</b>	
<p>This course requires the students attend the class sessions. There are regular teaching sessions, case study discussions and practical problems and questions. Active student participation is important. They are expected to read the assigned materials prior to the class, in addition to preparing the problems and case studies when appropriate.</p>	
<b>Classroom methodologies: activities</b>	<b>Skills</b>
<p>Regular teaching sessions make up for slightly over half of the total class sessions.</p> <p>The teacher will define and explain the technical terms and analysis, giving examples and pointing at the issues that arise debate in the reality of investments.</p> <p>The student should listen carefully, trying to understand the rationale and ideas being explained, and making connections with his previous knowledge on the field. He is expected to take notes of the main contents to complement class material. Classroom discussions are encouraged, and students can interrupt the professor asking questions or requesting for further explanations. Preparation prior to the class is essential to take the most of the teaching session.</p> <p><b>Seminars:</b></p> <p>A few sessions will be spent in talks or presentations from guests who are professionals from different areas related to Portfolio Management and private banking. Attending these seminars is mandatory for all students.</p>	<p><b>Cognitive skills</b> <b>Interpersonal skills</b> <b>Attitude skills</b></p>
<b>Work out of the classroom: activities</b>	<b>Skills</b>
<p>Prior and post- class study of the theoretical concepts</p> <p>Preparation of the two case-studies that will be handed-in during the class.</p>	<p><b>Systemic skills</b> <b>Practical and procedure skills</b> <b>Instrumental skills</b></p>

## ASSESSMENT AND EVALUATION CRITERIA

Activities assessed	Evaluation criteria	Weight
Class participation and classroom workshops	See above	15%-10%
Long case studies	See above	25%-30%%
Final exam		60%

The students that have a formal exemption to attend class (including those who are on an exchange program abroad), the course grade will be 100% of the final exam grade. In case a student fails, in the second or subsequent attempts, the grade will be 100% the final exam mark.

## Summary and dates of out of classroom activities

Out of classroom activities	Fecha de realización	Fecha de entrega
Case study 1	Week 5 or 6	End week 6
Case study 2	week 12	week 13

SUMMARY OF THE STUDENT EXPECTED WORKING HOURS			
Hours in classroom			
Lessons	Problem solving sessions	Workshops and seminars	Assessment
31,5	13	8	2
Hours outside the classroom			
Individual work on theoretical knowledge	Individual work on practical knowledge	Teamwork	On-going revision
19	30		40
<b>CREDITS ECTS:</b>			<b>5</b>

## BIBLIOGRAPHY AND ADDITIONAL READING LIST

Bibliography
<b>Textbooks</b>
<b>Running Money</b> , de Scott D. Stewart, Christopher D. Piros, Jeffrey C. Heisler Ed McGraw-Hill International Edition, 2011, New York.
<b>Chapters in books</b>
<b>Articles and news</b>
A variety of material will be handed out in the classroom or through the course webpage
<b>Web Pages</b>
Asset Manager Code of Professional Conduct. CFA Institute

<http://www.cfainstitute.org/ethics/codes/assetmanager/Pages/index.aspx>

#### Notes

The student will be supplied with lesson notes and slides through the course webpage

#### Additional material

#### Additional reading list

#### Textbooks

- Reilly, Frank K. y Brown, Keith C. **Investment Analysis and Portfolio Management**. 7<sup>a</sup> edición. Thomson South-Western, 2003.
- Swensen, David F. **Unconventional Success: A Fundamental Approach to Personal Investment**. Free Press, New York, 2005.
- Swensen, David F. **Pioneering Portfolio Management: An Unconventional Approach to Institutional Investment**. Free Press, New York, 2000.