

<b>Course Information</b>	
Subject	Portfolio Management I
Degree	Master in Finance
Course	First course
Term	First term
ECTS – Credits	2
Type of Course	Mandatory
Department	ICADE Business School
Area	Financial markets
<b>Professor</b>	
Name	Juan Rodriguez Calvo
Department	ICADE Business School
Área	Finance
e-mail	<a href="mailto:juan.rodriquez@comillas.edu">juan.rodriquez@comillas.edu</a>
Office hours	Continuously available by e-mail

## **COURSE SPECIFICS**

<b>Context of the Course</b>
<b>Contribution to the professional profile of the master degree.</b>
<p>Managing a portfolio is one of the most complexes, challenging and valued jobs in financial markets. There is no a single methodology to manage portfolios but a sort of approaches to be successful. In this course a personal view of the coordinator of this topic will be provided, coming from the experience and background accumulated in the last 20 years. Besides, the differences among several investment vehicles (mutual fund, pension plan portfolios managed) will be studied. We invite the students to play a portfolio manager role, trying to beat them.</p>
<b>Class Aims / Objectives</b>
<ul style="list-style-type: none"> <li>• <b>Knowing how important is managing a portfolio as a whole in the investment proces.</b></li> <li>• <b>Being conscious of the complexity of managing a portfolio.</b></li> <li>• <b>Working with a quantitative example.</b></li> <li>• <b>Being able to anticipate common errors when managing portfolios.</b></li> <li>• <b>How analysing our results.</b></li> </ul>

## CONTENTS

<b>Contents</b>
<b>Module 1: Building a portfolio.</b>
<b>Lesson 1: How to build a portfolio.</b>
1.1 Risk-return profile. 1.2 Markowitz and Sharpe: practical application. 1.3 Asset Allocation 1.4 Tactical and strategical distribution.
<b>Lesson 2: Portfolio management styles.</b>
2.1 Passive vs active management. 2.2 Investment boutiques. 2.3 Managing portfolios for individual investors and institutions.
<b>Module 2: managing different asset classes portfolios.</b>
<b>Lesson 1: Managing monetary instruments portfolios.</b>
1.1 Monetary instruments properties. 1.2 Managing liquidity
<b>Lesson 2: Managing fixed income portfolios.</b>
2.1 Properties of fixed income assets. 2.2 How to manage a fixed income portfolio.
<b>Lesson 3: Managing equity portfolios.</b>
3.1 Key points to manage equity portfolios. 3.2 How to look for stocks.
<b>Module 3: mutual funds and hedge funds.</b>
<b>Lesson 1: managing and selecting mutual funds.</b>
<b>Lesson 2: managing and selecting pension plans.</b>
<b>Lesson 3: alternative investments</b>
<b>Module 4: monitoring and evaluating performance.</b>
<b>Lesson 1: portfolio management risks.</b>
<b>Lesson 2: revising a portfolio.</b>
<b>Lesson 3: performance attribution.</b>

## Competences

### General competences

CGB 1. Capacity for analysis and synthesis  
 CGB 2. Problem solving and decision making  
 CGB 3. Capacity for organization and planning  
 CGB 4. Ability to manage information from different sources  
 CGB 5. Advanced computer skills related to field of study  
 CGB 6. Interpersonal skills: listen, argue and debate  
 CGB 7. Leadership and teamwork  
 CGB 8. Critical and self-criticism capacity  
 CGB 9. Ethical commitment  
 CGB 11. Ability to learn and work independently  
 CGB 13. Action and quality orientation  
 CGB 14. Ability to process and transmit ideas, projects , reports, problems and solutions

### Specific competences

CE 2. Being able to look for and analyze markets public information to make investment or financing decisions.  
 CE 3 To understand and to apply the principles and models of business valuation, asset portfolio management, the fundamentals of analysis of investment projects and theories that support the construction of efficient portfolios.

## TEACHING AND LEARNING

### General methodology Issues of the course

Classroom Activities / On site activities	Competences
<p>Very practical with updated materials.            Dynamic sessions where students participate with games, competitions, using professional tools, etc.</p> <p>We will use Thomson Reuters terminals, the tool used by portfolio managers in their daily jobs. This product called Eikon is an important support in asset allocation decisions and investment decisions. Simultaneously to this course there will be a Thomson Reuters course to learn how to use this tool.</p>	<p><b>CGB 1, CGB 2, CGB 3, CGB 4, CGB 5, CGB 6, CGB 7, CGB 8, CGB 9, CGB 11, CGB 13, CGB 14, CE 2 &amp; CE 3</b></p>
Out of Class Activities	Competences
<p>Reading of reports and actual cases.            Simulations of portfolios.            Learning what are the most popular portfolio managers in the world.</p>	<p><b>CGB 1, CGB 2, CGB 3, CGB 4, CGB 5, CGB 6, CGB 7, CGB 8, CGB 9, CGB 11, CGB 13, CGB 14, CE 2 &amp; CE 3</b></p>

## EVALUATION AND GRADING CRITERIA

ASSESSMENT SCHEME	CRITERIA	WEIGHT
Practical homework made individually or into groups. These cases are based in real situations. (SE5- Evaluation and Resolving Exercises)	From 0 to 10	35 %
Exam: composed of a test and a practical case. The test is looks to perform the knowledge acquired by the student in the course. The practical case wants to know the performance of the student towards portfolio management questions. (SE1- Writing Test / Essay)	<b>Minimum 4,9 mark required to obtain a Pass grade in the subject</b>	50 %
Active attitude in class. We want illusionated people wanting to learn as much as possible. (SE6- Active Participation)	Right answers Mastering the concepts Spelling and presentation Creativity and innovation Proactive Attitude From 0 to 10.	15 %

*Attendance is mandatory, minimum of 75% attendance rate to obtain a Pass grade in the subject.*

*In order to ponderate all percentages it will be a requirement to have all assignments done on time.*

*If failed (final mark lower than 5 out of 10), the student will have a second opportunity where only this exam will be considered. In this case the maximum mark the student can get is 6 out of 10.*

SUMMARY OF EXPECTED WORKING HOURS							
ATTENDANCE HOURS							
Lectures (AF1)	Presentations (AF2)	Group presentations (AF3)	Exercises, and assessment (AF4)	Class discussion (AF5)	Seminars, workshops, case studies (AF6)	Interdisciplinary activities (AF7)	Simulations (AF8)
1	5	1	2	2	3	0	4
NON-ATTENDANCE HOURS							
Reading, researching, studying and analyzing the material provided (AF9)		Performing assignment and case studies (AF10)		Tutorials (AF11)		Research and coworking (AF12)	
20		6		2		6	
<b>ECTS CREDITS: 2 ECTS</b>							

## **BIBLIOGRAPHY**

### **Recommended Bibliography / Basic Bibliography**

#### **Textbook**

Investment Analysis and Portfolio Management: Reilly and Brown. South Western Educational Publishing, 2008.

Modern Portfolio Theory and Investment Analysis: Elton, Gruber, Brown y Goetzmann. Ed. Wiley.

### **Complementary Bibliography**

#### **Textbook**

Practical portfolio performance measurement and attribution. Carl Bacon. Ed. Wiley, 2004.