

INTERNATIONAL PORTFOLIO INVESTMENT

Department: International economy and International finance

Course description:

International Portfolio Investment is an advanced and elective course and recommended for students who want to pursue careers in asset management, investment banking, or the financial planning industry. This course blends portfolio theory with the type of practical issues that one will come across in a career as a professional investment manager. The module covers the complete investment process from constructing investment objectives and policies to broad class asset allocation, portfolio selection, revisions, monitoring, and performance measurement and attribution. Topics include identifying investor objectives and constraints, recognizing risk and return characteristics of investment vehicles, developing strategic asset allocations among equity, fixed-income and risk-free assets, utilizing derivative securities to manage portfolio risk and, if possible, enhance portfolio returns, and evaluating portfolio and manager performance relative to investment objectives and appropriate benchmarks.

Practical issues relating to investment management philosophy and style, and active and passive management will be discussed. Advanced techniques in portfolio construction involving the use of single index, multi-factor and Arbitrage Pricing Theory models are studied. Guest speakers will be invited to share their professional asset management experience with the students. Additionally, students will have a unique opportunity to apply theories in a real-time, competitive simulation to learn equity trading and portfolio management techniques. Students will learn to develop an investment policy statement, utilize a top-down approach to construct the portfolio, select individual stocks, formulate portfolio rebalancing strategies, and finally, present and defend the proposal and investment decisions.

Credits: 3

Learning and teaching methods:

- Hours in classes: 40
- Independent student work: 68
- Total Hours: 108

Assessment: Exam