



Course Outline

Accounting and Finance
School of Business & Economics
FNCE 4160 - **3.00** - Academic

Advanced Portfolio Management

Rationale

GET analysis has identified that this course meets the Citizenship ILO criteria. See attached foci tool and notes under Educational Objectives/Outcomes.

Calendar Description

Students learn to design and implement an investment policy statement for an individual or institutional investor that establishes their financial objectives, risk tolerances, constraints, and investment and monitoring policies. Topics include setting investment objectives and policies; ethical standards and fiduciary duties; capital markets expectations; diversification and asset allocation; fixed-income, equity and alternative investment portfolio management; risk management; capital markets and securities trading; monitoring and rebalancing; and evaluating portfolio performance.

Credits/Hours

Course Has Variable Hours: No

Credits: 3.00

Lecture Hours: 3.00

Seminar Hours: 0

Lab Hours: 0

Other Hours: 0

Clarify:

Total Hours: 3.00

Delivery Methods: (Face to Face)

Impact on Courses/Programs/Departments: No change

Repeat Types: A - Once for credit (default)

Grading Methods: (S - Academic, Career Tech, UPrep)

Educational Objectives/Outcomes

1. Construct a policy statement reflecting the objectives and risk tolerances of various types of individual and institutional investors.
2. Formulate a personal code of ethics based on industry standards and fiduciary duties.
3. Factor capital market expectations into investment decisions.

4. Analyze the gains from diversification and asset allocation.
5. Develop an integrated portfolio management plan reflecting the goals, risk tolerance, and circumstances of individual and institutional investors.
6. Evaluate the effect of risk on investment decisions.
7. Employ effective trading strategies.
8. Assess various monitoring and rebalancing strategies.
9. Appraise portfolio performance using appropriate methodologies and reporting standards.
10. This course meets the XXX criteria. See attached foci tool demonstrating the match.
11. This course meets the Citizenship criteria. See attached foci tool demonstrating the match.

Prerequisites

FNCE 3150-Portfolio and Equity Analysis
with a minimum C- or equivalent

FNCE 3170-Fixed Income and Alternative
Investments with a minimum C- or equivalent FNCE

3180-Derivative Securities with a minimum C- or
equivalent

Co-Requisites

Recommended Requisites

Exclusion Requisites

BBUS 4160-Portfolio Management

Texts/Materials

Textbooks

1. **Required** Magin, Tuttle, Pinto, McLeavey. *Managing Investment Portfolios: A Dynamic Process*, 3rd Edition ed.
CFA Institute, 3007

Other

1. **Required** CFA Code of Ethics and Standards of Professional Conduct, CFA Institute, 2014

Standards of Practices Handbook, CFA Institute, 2014

Student Evaluation

The Course grade is based on the following course evaluations.

Tests/quizzes 30%

Standards of Practice Exam 10%

Case studies/research projects/assignments 30%

Final exam 30%

Students must pass the exam to pass the course.

Course Topics

1. Setting Investment Objectives and Policies

Individual investors

- - Investor Characteristics
 - The Policy Statement
- Institutional investors
 - Pension funds
 - Foundations and endowments
 - Insurance industry
 - Banks and other institutional investors

2. Ethical Standards and Fiduciary Duties

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- CFA Code of Ethics and Standards of Professional Conduct
- Standards of Practice Handbook
- CFA Centre for Financial Integrity
- Other sources ethical standards
 - Asset Manager Code of Professional Conduct
 - Analyst/Issuer Guidelines
 - Endowments Code of Conduct
 - Pension Trustee Code of Conduct
 - Research Objectivity Standards
 - Soft Dollar Standards
- Trade Management Guideline
- Standards of Practice Exam

2. Capital Market Expectations

- Economic analysis
- Other forecasting tools

4. Diversification and Asset Allocation

- Asset allocation
- Strategic versus tactical
- Passive versus active strategies
- Optimization and implementation

5. Portfolio Management

- Fixed-Income portfolio management
 - Bond diversification and indexing
 - Liability matching
 - Other strategies
- Equity portfolio management
 - Passive, active, and semi-active strategies
- Working with portfolio managers
- Alternative investments portfolio management
 - Real estate, commodities, derivatives
 - Hedge funds, private equity, distressed securities

6. Risk Management

- Identifying risks
- Measuring risk
- Managing risk

7. Capital Markets and Securities Trading

- Market microstructure
- The costs of trading
- Traders and types of trades
- Trade execution

8. Monitoring and Rebalancing

- Monitoring changes in investor circumstances and constraints
- Monitoring market and economic changes
- Benefits and costs of rebalancing

9. Evaluating Portfolio Performances

- Performance measurement
 - Benchmarks
 - Attribution
 - Appraisal
- Global Investment Reporting Standards (GIPS)
 - Background of the GIPS standards
 - Provisions of the GIPS standards
 - Verification
 - Other issues

Certificate in Investment Performance Measurement (CIPM)

Methods for Prior Learning Assessment and Recognition

As per TRU Policy

Last Action Taken

Implement by Submission Preview Subcommittee Chair Shelley Church

Current Date: 28-Oct-20