# **EF4328: ASSET MANAGEMENT**

Effective Term

Semester A 2022/23

# Part I Course Overview

**Course Title** Asset Management

Subject Code EF - Economics and Finance Course Number 4328

Academic Unit Economics and Finance (EF)

**College/School** College of Business (CB)

**Course Duration** One Semester

Credit Units

Level B1, B2, B3, B4 - Bachelor's Degree

Medium of Instruction English

**Medium of Assessment** English

**Prerequisites** EF3320 Security Analysis and Portfolio Management and EF4822 Financial Econometrics

Precursors

Nil

**Equivalent Courses** Nil

Exclusive Courses Nil

# Part II Course Details

# Abstract

The course describes some of the main trading strategies used by active traders and provides a methodology to analyze them. The course covers individual equity markets (discretionary equity investing, short selling, quantitative equity

strategies), tactical asset allocation across equity indices, currencies, fixed-income, and commodities (global macro investing, managed futures strategies), and relative-value arbitrage strategies (fixed income arbitrage, convertible bond arbitrage, event driven investments).

#### Course Intended Learning Outcomes (CILOs)

	CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Demonstrate a solid understanding of active asset management industry and major strategies.	20	Х	x	
2	Explain and apply the concepts of performance evaluation of trading strategies.	15	x	Х	X
3	Explain and apply the concepts of portfolio construction and risk management.	15		х	Х
4	Understand and apply the key active equity strategies – discretionary and quantitative.	20		х	х
5	Understand and apply macro strategies – asset allocation.	15		х	X
6	Understand and explain arbitrage strategies – fixed income arbitrage and event-driven.	15		X	X

#### A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

#### A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

#### A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

# Teaching and Learning Activities (TLAs)

	TLAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures, in-class discussions	The course will also develop students' creative and innovative abilities through numerous assessment tasks/activities that involve the discovery and innovative process. Lectures are designed to help students develop their discovery abilities through class discussions and circumstance simulation. Lectures will focus on basic concepts and framework. Students are expected to discover the methodology of active asset management and applications. The final exam which covers the topics in the lectures and in- class discussion will also reflect students' accomplishments in discovery and innovation.	2, 3, 4, 5	3 hours lecture per week
2	Assignments, Group projects/ case studies	Group projects/case studies and assignments enable students to discover and innovate through the use and evaluation of asset management strategies. Students will learn to use these strategies and evaluation tools and conduct analyses on real life applications.	1, 2, 3, 4, 5, 6	

# Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Group projects / case studies	1, 2, 3, 4, 5, 6	30	Students will implement and analyze a particular investment strategy based on real data. This is the key step in developing students' abilities and skills to discover and innovate.

2	"Assignments / In-class discussions, attendance"	2, 3, 4, 5	20	To enhance students' understanding of the key concepts and theory covered in the lectures.
				Students will discover the basics of active asset
				management strategies and tools to evaluate performance and manage
				risk.

#### Continuous Assessment (%)

50

Examination (%)

50

#### **Examination Duration (Hours)**

2

## Assessment Rubrics (AR)

#### Assessment Task

Group projects / case studies,

## Criterion

Based on in-class presentation/project write-up.

#### Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

# Good (B+, B, B-)

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

# Fair (C+, C, C-)

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material

# Marginal (D)

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

#### Failure (F)

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.

#### Assessment Task

Assignments

Criterion

Based on performance on take-home problem sets

#### Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

#### Good (B+, B, B-)

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

#### Fair (C+, C, C-)

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material

#### Marginal (D)

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

#### Failure (F)

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.

#### Assessment Task

In-class discussions/ attendance

#### Criterion

Based on active participation/class attendance.

#### Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

#### Good (B+, B, B-)

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

#### Fair (C+, C, C-)

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material

#### Marginal (D)

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

#### Failure (F)

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.

#### Assessment Task

Final Examination

#### Criterion

Based on 2-hour final exam.

#### Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

#### Good (B+, B, B-)

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

#### Fair (C+, C, C-)

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material

#### Marginal (D)

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

#### Failure (F)

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.

# Part III Other Information

#### **Keyword Syllabus**

Active Asset Management, Portfolio Construction, Performance Evaluation, Backtesting Strategies, Equity Valuation and Discretionary Equity Investing, Quantitative Equity Strategies, Macro Strategies, Event-Driven Arbitrage, Fixed-Income Arbitrage, Managed Futures

#### **Reading List**

#### **Compulsory Readings**

	Title
1	Efficiently Inefficient: How Smart Money Invests and Market Prices are Determined, by Lasse H. Pedersen, Princeton University Press.

#### **Additional Readings**

	Title
1	Investments, by Zvi Bodie, Alex Kane, and Alan J. Marcus, McGraw-Hill.
2	Fixed Income Securities: Tools for Today's Markets, 3rd Edition, University Edition, by Bruce Tuckman and Angel Serrat, Wiley.
3	Asset Management: A Systematic Approach to Factor Investing, by Andrew Ang, Oxford University Press.