

<b>MASTERS</b>		<b>Masters in Institutions and Financial Markets</b>	
<b>COURSE:</b>		<b>GLOBAL ASSET MANAGEMENT</b>	
<b>CHARACTER:</b>		<b>OPTIONAL</b>	
<b>No. of ECTS:</b>		<b>3</b>	
<b>No. of class hours:</b>		<b>22.5</b>	
	<ul style="list-style-type: none"> <li>– Master class</li> <li>– Class dicussion</li> <li>– Student’s presentations, role playing and silmulations</li> </ul>		
<b>No. of hours of directed academics:</b>		<b>52.5</b>	
<b>Lead Professor:</b>		<b>Juán José Tenorio Blázquez</b>	
<b>Academic year:</b>		<b>2018-2019</b>	
<b>Semester::</b>		<b>1st semester</b>	

### 1.- GENERAL COURSE DESCRIPTION AND TEACHING OBJECTIVES

The course will develop all the major aspects relating to Asset Management in a much practical approach as possible. The participant will be introduced to the world of A.M. always from a global perspective, covering a wide range of topics such as the structure of the different markets in which A.M. companies do business, the major products that the companies manage in those markets and the way to combine different products through an investment management process.

In order to achieve this practical approach, the student will be introduced to different “real life” cases relating to the specific subjects; ranging from how a mutual fund is created, how to “pitch” for a pension fund mandate or the stories of important mergers and acquisition processes in the industry. As a matter of fact, this objective is so embedded in the course that the last two sessions will be purely devoted to the creation of their (students’) own asset management company, dividing the class into different groups for this purpose. Also, a portfolio construction and follow up exercise will be part of a few sessions

Additionally, the students will be required to prepare practical cases on certain issues, as well as additional readings for class discussion, that, on average, will take around 40/50% of the session.

Although participants are expected to be well acquainted beforehand with financial products, the course, at some point in time, will dig thoroughly in asset classes such as stocks, bonds, derivative products, currencies, commodities, real estate, hedge funds or private equity, as well as by-products such as preferred stock, convertibles, corporate bonds, asset backed securities, etc. This is paramount in order to get a real in-depth knowledge on the way portfolios are bundled so as to be efficient (and effective) in terms of the product’s underlying investment philosophy

But a “step by step” approach is needed to inter-connect individual products and the way they are managed for clients. For this reason, the course will basically be defined along four major themes.

First, an introduction to the players in the industry; to which clients they cater for and which are the final products that will be sold in the markets. This is complemented with a most important review of the ethical and regulation background the asset manager is and will be confronted in

the future. It is quite straightforward that big economic, institutional and regulatory changes will transform the shape of the industry as we know it today. All of this is comprised in the first General Theme: “The Structure of Global Asset Management”.

The second step should now address directly the different approaches to the investment process, being it an active management strategy or a passive procedure. That is, “The Investment Approach” as the second General Theme.

The third building block of the syllabus should now concentrate on how portfolios are managed according to the underlying asset classes, be it equity, fixed income or balanced / alternative investments structures. This theme is referred to as “Portfolio Construction”.

Finally, the rest of the syllabus will go over the different vehicles as such (Mutual Funds, Pension Funds, Financial Advisory Specialists) analysing how they are structured in the different parts of the world, with a final analysis of the “administration” issues; normally common to all corporate structures and geographical locations. This group of sessions tries to explain “How the Industry Works

## 2.- FORM OF GRADING/EVALUATION:

<b>Attendance and Class Participation</b>	10%..
<b>Mid-term examination</b>	No mid-term exams or “quizzes”.
<b>Directed Academic Activities</b>	30%. Intensive use of practical cases for class work and discussion will be a major issue within this part of the student’s valuation. Included herein, as well, is a group work on the management of a theoretical portfolio. It goes by the name of “Build A Winning Portfolio” and it is structured as a contest among students to see which groups are able to beat a pre-determined benchmark.
<b>Final Examination (Ordinary Examination)</b>	60% . The final test of the course will be structured as a group presentation on a development of a new asset management company. This work should be comprehensive of any business issues such as the planned strategy for the company, its products and markets, type of clientele as well as, amongst others, important human resources, marketing or IT issues. The objective is to develop in the student an entrepreneurial spirit in relation to the asset management business.
<b>Restrictions</b>	In order to calculate the weighted average for the final grade, both for ordinary and extraordinary examination, a student must obtain at least a 5 (out of 10) on the final examination. A student with an overall grade of less than 5 will be considered to have failed.
<b>Final Examination (Extraordinary Examination)</b>	Grading of the directed academic activities from the ordinary examination will be applied to the extraordinary examination using the same weighting.

**DETAILED PROGRAM  
GLOBAL ASSET MANAGEMENT**

Session No.	Details of teaching content: themes, case studies, directed academic activities, etc.	Required reading that relate to concepts developed in the session.
1	<p><u>Introduction to the Asset Management Industry</u></p> <ul style="list-style-type: none"> <li>- Asset Management Basic Concepts</li> <li>- The importance of the Industry in the World. Facts &amp; Figures</li> <li>- The Players in the Industry.</li> <li>- The clients.</li> <li>- The products.</li> </ul> <p>“Traditional Investments”: Stock, Bond &amp; Money Market Mutual Funds</p> <p>“Alternative Investments”: Hedge Funds, Private Equity Funds, Real Estate. Funds, ETF’s</p> <p>Pension Funds</p> <p>Discretionary Portfolio Management (“Managed Accounts”)</p>	<p>Introduction &amp; Explanation to Final Work on “Develop your own Asset Management Company”</p> <p>Additional Class Material: Real Life Presentation Review of an Asset Management Specialist: BBVA Asset Management (to be provided by professor)</p> <p>Additional Reading: “Note on the Asset Management Industry”. Harvard Business School. 9-311-013 July 26 2010. Clayton s. Rose / Scott Wagoner</p>
2	<p><u>Rules &amp; Regulations</u></p> <ul style="list-style-type: none"> <li>- The importance of Ethics in the Industry: Codes of Conduct; Conflicts of Interest; "Insider Trading"; "Front Running", “Day Timing”...</li> <li>- The market regulators: SEC; FSA, CNMV, IOSCO...</li> <li>- The structuring of the European industry: General Regulation on Securities &amp; Asset Management</li> </ul> <p>Current Regulation under discussion</p> <p>Regulation Regarding Asset Management: “unbundling” / “best execution”</p> <p>The UCITS’s Directives</p> <p>The MiFID Directive</p> <p>New specific regulation for the Hedge Fund Industry</p> <ul style="list-style-type: none"> <li>- Lessons from the 2007/2008 Financial Crisis</li> <li>Disproportionate growth of new financial instruments</li> <li>The problems arising from Leverage</li> <li>The Valuation of new financial assets</li> <li>Banks Situation / Government Intervention</li> </ul>	<p>Practical Case: “The 2007-2008 Financial Crisis: Causes, Impacts and the Need for New Regulations”. Richard Ivey School of Business. 9B08N014 Version (A) 2008-06-09</p>
3 y 4	<p><u>Introduction to Portfolio Management Theory</u></p> <ul style="list-style-type: none"> <li>- The Concept of Risk: Basic Elements of Risk &amp; Return. Construction of Return Expectations. Measures of Risk.</li> <li>Modern Portfolio Theory: Efficient Portfolios. Diversifiable vs Non Diversifiable Risk. Capital Asset Pricing Theories</li> <li>- Importance of the Asset Mix Decision</li> <li>Who should make the Asset Mix Decision?</li> <li>Investors Objectives &amp; Constraints.</li> </ul>	<p>Practical Case: “Darden Capital Management” The Monticello Fund. Darden Business Publishing. University of Virginia. UVA-F-1464</p> <p>Additional Reading: " Introduction to Portfolio Theory". Harvard Business School. 9-185-066 February 20</p>

	<p>Selecting Asset Classes / Forming Expectations.          Selecting the Optimal Mix: The "Efficient Frontier".          Structuring the Mix of Portfolio Managers.          Portfolio Management Styles &amp; Strategies.          - Principles of Performance Measurement / Valuation Methods.          - Performance Adjusted for Risk:          Treynor / Sharpe Ratio.s</p>	<p>2007</p> <p>Presentation of the Portfolio Structuring Game: "Build a Winning Portfolio"(for future follow up): 1) Developing the proposed portfolio (team work); 2) Presentation to Class (Selection Criteria); 3) Performance Analysis (no written material required beforehand)</p>
5	<p><u>Active Management (1): Managing in relation to benchmarks</u>          General Overview of Active Management.          Fundamental Analysis.          Quantitative Models.          Technical Analysis.          - Historical Trends.          - Style": Growth vs Value.          - Size": Large, Mid &amp; Small Capitalisation.          - The Importance of Index Selection.          - Blend Management: GARP, or "Looking for Growth at Reasonable Prices".          - Investment "gurus" vs Pure Quantitative Investment Process.          Warren Buffet &amp; Peter Lynch (Equity).          Bill Gross (Bonds).  <i>Mark Mobius (Emerging Markets).</i>          A Mix of Investment Experience and Technical Discipline.</p>	<p>Practical Case: "GMO: The Value vs Growth Dilema"          Darden University of Virginia.          DARDEN-F-1328-E</p>
6	<p><u>Active Management: (2): Searching for Absolute Return:</u>          Return regardless of market conditions.          Relative Value Investing in Bonds.          Relative Value Investing in Equities ("Pairs Trading" Techniques).          Relative Value in a Balanced Portfolio.          Value at Risk" systems and controls.          Target Investing: The "Life Cycle Funds".</p>	<p>Practical Case: "The Vanguard Group Inc.; in 2006 and Target Retirement Funds. HBS-9207129-E</p>
7	<p><u>Passive Management</u>          The "Random Walk Theory"          A cost analysis between active vs. passive investment management.          Does the search for "alpha" make sense?          Index Funds.          Exchange Traded Funds (ETF' s or Trackers.)</p>	<p>Article: "The Active-Passive Debate: Bear Market Performance". Christopher Philips. Vanguard Investment Counseling &amp; Research (to be provided by professor)</p> <p>Portfolio Structuring Game: "Build a Winning Portfolio": Group's presentation to Class (Selection Criteria)</p>

8	<u>The management of an equity portfolio</u> The construction of an equity portfolio Dividend Valuation Models & Earnings Valuation Models Multiples” Analysis: The Price Earnings Ratio Assets as a Source of Value Types of Equity Decisions on IPO’s in the portfolios Factors Affecting Share Prices	Practical Case: “Buy, Sell or Hold. Analyzing the Analysts’ Recommendations”. INSEAD 106-065-6. 11/2006-5406 (ecch)  Additional Reading: Equity Fund Managers Scorecards: MFS Meridian Funds (to be provided by professor)
9	<u>The management of a bond portfolio</u> Types of Bonds / Properties of Bonds / General Pricing Overview Duration & Convexity. The Yield Curve. Investment Strategies. Types of Debt Markets. International Fixed Income Markets. Bond Indices. Securitisation / ABS’s. Duration Exposure against Credit Exposure.	Additional Reading: Fixed Income Fund Managers Scorecards: MFS Meridian Funds (to be provided by professor)
10 & 11	<u>The management of a balanced portfolio / alternative investments:</u> - . Why invest in Commodities? Agricultural, Metals, Energy and Commodity Futures - . Why invest in Currencies? How currencies are traded: Spot, Futures, Options, Forwards, Swaps - . Real Estate Investments - . Private Equity Investments - . Hedge Fund Investments	Practical Case: “How Institutionals Think about Real Estate”. HBS 9-209-152  Practical Case: “Paul Partners: Secondary Limited Partnership Investing. HBS 9-209-089)  Practical Case: “Long-Term Capital Management Fund: What went wrong” ICFAI 104-060-1.2004 (ecch)
12 & 13	<u>The Collective Investment Schemes</u> Distribution of the world’ s assets. Major statistics Mutual Funds / Funds of Funds The Future of the Fund Management Industry. Sales & Marketing of Investment Vehicles	Technical Note: “Measuring Fund Performance”: HBS-9298139-E  Practical Case: “Morningstar Inc.”HBS-9298140-E
14	<u>Pension Funds</u> The case for Pension Funds. Analysis on demographics General Characteristics The US Model: 401 K structures The European Models: Single Corporate Pension Fund Life Cycle Funds The Board of Trustees	Technical Note: “World Pension Fund Markets”.HBS-9295027-E  Practical Case: “Managing a 401(k) Fund”. HBS-9204077-E
15	<u>Develop your own asset management company (“boutique” specialist):</u>	

INFORMACIÓN ADICIONAL	
<b>Basic/Required Reading</b>	<p><u>The following books will be the base for the program:</u></p> <p>Marc Levison “Financial Markets” Bloomberg Maginn &amp; Tuttle “Managing Investment Portfolios” AIMR</p> <p>Nonetheless, these books will NOT be compulsory for the student.</p> <p>During class sessions students will be informed of relevant web sites with regards the subject being studied (Investment Banks’, Market Regulators’, etc)</p>
<b>Recommended Reading</b>	<p><u>Relevant press articles and other readings will be distributed ahead of the sessions:</u></p> <p>Financial Press: Students will be expected to read on a daily basis at least one of the following:</p> <ol style="list-style-type: none"> <li>1) Financial Times</li> <li>2). Wall Street Journal</li> <li>3). The Economist (on a weekly basis)</li> </ol> <p>Any important piece of financial news for the day might be subject to discussion during the class</p>
<b>Complementary Activities</b>	<p>The course will include a Group work on the construction of an equity portfolio, in order to beat a pre-determined benchmark. This is what we refer in the syllabus as the “Build a Winning Portfolio” Contest</p>
<b>Professor’s email</b>	<p>Email: jtenorioblazquez@cunef.edu</p>

COMPETENCIAS:	
<b>BÁSICAS Y GENERALES</b>	<p><b>CB6-</b> Poseer y comprender conocimientos que aporten una base u oportunidad de ser originales en el desarrollo y/o aplicación de ideas, a menudo en un contexto de investigación.</p> <p><b>CB7-</b> Que los estudiantes sepan aplicar los conocimientos adquiridos y su capacidad de resolución de problemas en entornos nuevos o poco conocidos dentro de contextos más amplios (o multidisciplinares) relacionados con su área de estudio.</p> <p><b>CB8-</b> Que los estudiantes sean capaces de integrar conocimientos y enfrentarse a la complejidad de formular juicios a partir de una información que, siendo incompleta o limitada, incluya reflexiones sobre las responsabilidades sociales y éticas vinculadas a la aplicación de sus conocimientos y juicios.</p> <p><b>CB9-</b> Que los estudiantes sepan comunicar sus conclusiones y los conocimientos y razones últimas que las sustentan a públicos especializados de un modo claro y sin ambigüedades.</p> <p><b>CG1-</b> Capacidad para resolver problemas en entornos nuevos o poco conocidos</p> <p><b>CG2-</b> Capacidad de análisis, síntesis y de formulación de juicios a partir de la información disponible.</p> <p><b>GG3-</b> Capacidad de organización, planificación y toma de decisiones.</p> <p><b>CG4-</b> Capacidad de comunicación y trabajo en equipo.</p>
<b>TRANSVERSALES</b>	<p><b>CT1-</b> Capacidad de búsqueda de información e investigación y de aprendizaje continuo</p> <p><b>CT2-</b> Capacidad para trabajar en entornos de presión.</p> <p><b>CT3-</b> Capacidad para aplicar los conocimientos a la práctica.</p>

	<b>CT4-</b> Usar tecnologías de la información y las telecomunicaciones. <b>CT5-</b> Capacidad para ejercer el liderazgo y mantener un espíritu emprendedor.
<b>ESPECÍFICAS</b>	<b>CE9</b> Comprender y entender el funcionamiento de las operaciones de financiación de proyectos y actividades desde la perspectiva de las actividades empresariales internacionales. (Competencia específica de la especialidad de finanzas Internacionales).