SUBJECT DATASHEET

PORTFOLIO MANAGEMENT, ALTERNATIVE INVESTMENTS AND PERSONAL FINANCE

BMEGT35M123

I. SUBJECT DESCRIPTION

1. SUBJECT DATA

Subject name
PORTFOLIO MANAGEMENT, ALTERNATIVE INVESTMENTS AND PERSONAL FINANCE

ID (subject code) BMEGT35M123

Type of subject
Contact lessons

Course types and lessons

Type	*Lessons*
Lecture	2
Practice	0
Laboratory	0

Type of assessment
Mid-term grade

Number of credits
3

Subject Coordinator

Name	*Position*	*Contact details*
Andrea TOTO	assistant professor	toto.andrea@gtk.bme.hu

Educational organisational unit for the subject
Department of Finance

Subject website
https://edu.gtk.bme.hu/

Language of the subject
Angol - English

Curricular role of the subject, recommended number of terms
Programme: **Finance MSc (in English) from 2019/20/Term 1 AUTUMN start**
Subject Role: **Compulsory elective**
Recommended semester: **4**

Programme: **Finance MSc (in English) from 2019/20/Term 1 SPRING start**
Subject Role: **Compulsory elective**
Recommended semester: **3**

Direct prerequisites

Strong	nincs - none
Weak	nincs - none
Parallel	nincs - none
Exclusion	None

Validity of the Subject Description
Approved by the Faculty Board of Faculty of Economic and Social Sciences, Decree No: 581046/15/2021. Valid from: 24.11.2021.

2. OBJECTIVES AND LEARNING OUTCOMES

Objectives

The main objective of the course is to provide insight into the background of the main factors influencing investment decisions. Beside the discussion of the classical trilemma of risk-yield-liquidity and the fundamentals of the efficient market hypothesis, the subject also covers the examination of the main indicators used to evaluate international financial markets (financial stress index, VIX index, TED spread etc.). Based on the risk-return characteristics of financial instruments, students participating in the course can also get acquainted with the pricing of bonds and shares, as well as the fundamental and technical analysis of shares. Within the frames of the course the government securities markets and stock exchanges are given special emphasis, among actors of these markets institutional investors and investment banks have outstanding importance. After an introduction to the most important types of derivative products (options, futures and swaps), the course allows an outlook to the future perspectives of financial markets marked by financial innovations (securitisation, credit derivatives, ETFs, REITs).

Academic results

Knowledge

1. • portfolio management • alternative investment opportunities • personal finance

Skills

1. The audience will be able to • understand the re-turn-risk characteristics of different alternative investments, • apply the course theory to measure the risks attached to different investment portfolios, • calculate the alphas of hedge fund strategies, • formulate investment strategies, • manage and monitor investment portfolios

Attitude

1. The audience • is open to getting to know and adapting portfolio theory, • collaborates with their instructors and others during the learning process, • gains knowledge and information, • uses the possibilities offered by IT tools

Independence and responsibility

1. Students • are open to accept critical remarks, • co-operate with other students – as part of a team – in solving exercises, • apply systematic thinking in relation to financial market instruments

Teaching methodology

Lectures, written and oral communication, use of IT tools and techniques, optional tasks alone and in groups.

Materials supporting learning

- Kötelező - Obligatory:
- Az előadások prezentációs anyaga, mely a félév során folyamatosan fog feltöltésre kerülni. - Slideshows of the lectures which will be uploaded continuously during the semester.
- Mark J. P. Anson, Handbook of Alternative Assets, John Wiley & Sons (2006)
- Zvi Bodie-Alex Kane-Alan J. Marcus, Investments, 11th Edition, MacGrawHill, 2018
- Ajánlott- Recommended:
- CAIA, Alternative investments Level I, 3rd Edition
- Sokolowska, The principles of alternative investment management, Springer 2016
- Anson, Fabozzi, Jones, The Handbook of Traditional and Alternative Investment Vehicles, Wiley & Sons, Inc, 2011

II. SUBJECT REQUIREMENTS

TESTING AND ASSESSMENT OF LEARNING PERFORMANCE

General Rules

Assessment of the learning outcomes described under 2.2. is based on a mid-term exam. Each of the midterm exams affects the final grade
by 50%: the total score is a weighted average of mid-term exam 1 (50%) and mid-term exam 2 (50%)

Performance assessment methods

The total score is 100 points

Percentage of performance assessments, conducted during the study period, within the rating

- **Mid-term exam I**: Max 100 pont/points x 50%
- **Mid-term exam II**: Max 100 pont/points x 50%

Percentage of exam elements within the rating

Conditions for obtaining a signature, validity of the signature

Issuing grades

Excellent	86% felett/Above 86% (86 pont felett/above 86 points)
Very good	86% felett/Above 86% (86 pont felett/above 86 points)
Good	71–85% (70-85 pont/points)
Satisfactory	61–70% (60-70 pont/points)
Pass	50–60% (50-60 pont/points)
Fail	below 50% (50 pont/points)

Retake and late completion

There will be one retake exam possibility

Coursework required for the completion of the subject

participation on contact lessons	12x2=24
preparing for the exam	66

Approval and validity of subject requirements

Consulted with the Faculty Student Representative Committee, approved by the Vice Dean for Education, valid from: 08.11.2021.

III. COURSE CURRICULUM

THEMATIC UNITS AND FURTHER DETAILS

Topics covered during the term

1. 1. Overview of Alternative Investments: Beta Drivers and Alpha Drivers
2. 2. Mutual Funds and Other Investment Companies
3. 3. Hedge Funds I: Introduction, Due Diligence, Risk Management and Regulation
4. 4. Hedge Funds II: Benchmarks and Asset Allocation
5. 5. Commodities and Managed Futures
6. 6. Private Equity: the Economics of Private Equity, Venture Capital, Performance Measurement for Private Equity
7. 7. Real Estate Equity Investments
8. 8. Portfolio Theory and Practice: Risk, Return, Capital Allocation to Risky Assets
9. 9. Optimal Risky Portfolios
10. 10. The Capital Asset Pricing Model and The Efficient Markets Hypothesis: Implications on Portfolio Management
11. 11. Applied Portfolio Management: Portfolio Performance Evaluation
12. 12. Investment Policy and the CFA Framework: Asset Allocation, Managing Portfolios of Individual Investors, Pension Funds

Additional lecturers

Approval and validity of subject requirements