Economics Finance and Insurance (LM16)

(Lecce - Università degli Studi)

Teaching ASSET MANAGEMENT

GenCod A002505

Owner professor Paolo Antonio CUCURACHI

Teaching in italian ASSET MANAGEMENT

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SSD code SECS-P/11

Reference course Economics Finance and Insurance

Course type Laurea Magistrale

Credits 6.0

Teaching hours Front activity hours: 48.0

For enrolled in 2018/2019

Taught in 2019/2020

Course year 2

Language ENGLISH

Curriculum CURRICULUM FINANZA E ASSICURAZIONI

Location Lecce

Semester First Semester

Exam type Oral

Assessment Final grade

Course timetable https://easyroom.unisalento.it/Orario

BRIEF COURSE DESCRIPTION

The objective of the course is to analyse quantitative tools and methodologies in order to build robust and efficient portoflios of financial assets. Starting from Markowitz's Modern Portfolio Theory, the course deals with the pitfalls of the traditional optimization procedure and suggests alternative models such as constrained optimization, resampling and the Blak& Litterman approach.

The strategic asset allocation is the first step of the investment process and must be followed by the definition of the investor's risk profile and by an appropriate approach of manager selection. This second step optimization is based on the research of portfolios consistent with the strategic asset allocation and effiient)in a relative risk – return space). Moreover performance evaluation will be presented using an ex post approach (i.e. useful to rank mutual funds) and an ex ante approach (I.e. useful to build multimanager portfolios).

REQUIREMENTS

Students should know the basic measures of return and risk applied to securities (bonds and equities). Moreover students should be able to manage a time series and to run linear regressions.

COURSE AIMS	At the end of the course students will have a full knowledge of the mean-variance portfolio and of the solutions to overcome the pitfalls of the Modern Portfolio Theory. Moreover they will understand the meaning of different measures of return, risk and risk adjusted return applied in the asset management industry as well as the mutlimanagement approach. Students will be trained to use Excel and Matlab in order to run optimizations (using historicasl data or personal inputs) and to build a fact sheet of a mutual fund. **Risultati attesi secondo i descrittori di Dublino:** Conoscenza e capacità di comprensione (knowledge and understanding): obiettivo del corso è quello di sviluppare un approccio interdisciplinare finalizzato ad integrare le necessarie competenze finanziarie, con quelle matematico -statistiche e giuridiche che presiedono il funzionamento dei mercati finanziari e regolano il comportamento degli intermediari nei confronti dei clienti nel rispetto dei principi di know your custormer e suitability. Capacità di applicare conoscenza e comprensione (applying knowledge and understanding): al termine del corso lo studente deve dimostrare di sapere applicare le nozioni apprese con riferimento alla ottimizzazione di portafoglio, alla valutazione dei prodotti di risparmio gestito ed alla misurazione delle performance dei portafogli di attività finanziarie Autonomia di giudizio (making judgements): il costante riferimento a dati di mercato serve a stimolare la discussione e l'illustrazione di casi di studio in cui lo studente deve dimostrare di sapere utilizzare le metodologie più appropriate. Abilità comunicative (communication skills): l'obiettivo è quella di far impadronire lo studente di una corretta proprietà di linguaggio economico-finanziario, oltre che di rigore metodologico nell'esposizione dei concetti. Capacità di apprendimento (learning skills) : obiettivo del corso è anche creare una adeguata capacità di inquadramento del processo di costruzione del portafoglio partendo dalle scelte di asset allocation sino a quelle di monitoraggio del rischio, considerando anche le scelte organizzative che presiedono a tali decisioni
TEACHING METHODOLOGY	The course is delivered using traditional lectures and practical sessions using Matlab and Excel
ASSESSMENT TYPE	Written exam (multiple choices, exercises and open questions). The oral exam is optional with +/- 3 marks starting from the evaluation of the written exam Multiple choice questions are used to check the knowledge of the student; exercises aim at evaluating the ability of the students to use to quantitative tools explained in the course; open questions are useful to evaluate how students make judgements. There is no difference for not attending students Due to the Coronavirus pandemic the assessment type will be oral with exercises. A written multiple choice test could be required to be admitted to oral examination. Lo studente, disabile e/o con DSA, che intende usufruire di un intervento individualizzato per lo svolgimento della prova d'esame deve contattare l'ufficio Integrazione Disabili dell'Università del Salento all'indirizzo paola.martino@unisalento.it
OTHER USEFUL INFORMATION	A web site of the course is available at formazioneonline.unisalento.it

FULL SYLLABUS	Asset management: the investment process Asset management: the Markowitz MVO The constrained otpimization The resampling model The Black & Litterman model Practical session on portfolio optimization Index construction The determinants of performance: the BBS model The investor's risk profile: know your customer and suitability Portfolio reporting: MWRR versus TWRR Practical session on performance measurement Performance evaluation: risk measures Risk-adjusted measures: the Sharpe ratio and Modigliani index Risk-adjusted measures: the Sortino ratio, the Treynor ratio Information ratio and selection ratio Skill measures: stock picking (Jensen' alpha) and market timing Skill measures: market timing (Treynor-Mazuy's gamma), Bull/Bear beta Practical session on mutual fund analysis Style analysis and peer groups Multimanager approcach Practical session on manager selection Assignment Assignment
REFERENCE TEXT BOOKS	A selection of papers is available on the web site of the course on formazioneonline@unisalento.it