Shanghai Jiao Tong University

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BU430 Portfolio Management (Postgraduate) (Online)

Instructor Information	Maoguo Wu Home Institution: Shanghai University Email: wumaoguo@shu.edu.cn		
Term	June 28, 2021 - July 23, 2021	**Credits**	4 units
Course Delivery	The class will be delivered in the format of online. Other than recorded lecture videos, the instructor will arrange 2-6 hours' real-time interactions with students per week (via discussion forum, zoom meeting, and WeChat). The workload students are expected to complete to properly pass this course is about10-15 hours per week.		
Required Texts (with ISBN)	Bodie, Z., Kane, A. and Marcus, A.J. (2018). Investments, 11th Edition, McGraw-Hill Education ISBN: 9780077861674		
Prerequisite	Students are expected to have a thorough knowledge of all material covered in an introductory finance course.		

Course Overview

Portfolio management: The art and science of making decisions about investment mix and policy, matching investments to objectives, asset allocation for individuals and institutions, and balancing risk against performance. (Investopedia) There has been a proliferation of new products and strategies in the asset management space in recent years, e.g., smart beta, alternative beta, fundamental indexing, low volatility, and leveraged and inverse ETFs. This course applies portfolio theory to understand and evaluate these products and strategies in the context of the empirical evidence about return patterns across assets (i.e., the factors such as value/growth, momentum, and carry that drive returns) in multiple markets/asset classes (e.g., US and international equities and bonds, currencies, and commodities). Key questions include: What factors drive asset returns? Is it risk or mispricing? Can this structure of returns be used to construct better portfolios and products? How should the performance of existing products be evaluated given the empirical evidence? The basic theoretical framework is standard portfolio theory, as developed in Foundations of Finance, and its extensions, and the course will rely heavily on Excel modeling using real world data.

Learning Outcomes

After successfully completing this course you should be able to:

1. Analyse and evaluate financial and non-financial information relevant to the task of asset allocation and security selection
2. Assess the value of a financial asset using a variety of accepted methods
3. Explain and evaluate the risks associated with ownership of a financial asset
4. Analyse and implement alternative approaches to portfolio construction
5. Apply theory to the analysis of real world companies and cases, and employ databases and software commonly used in industry
6. Evaluate the performance of a portfolio and portfolio manager

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Grading Policy

Participation	10%
Group project & presentation	40%
Written Exam	50%

Grading Scale is as follows

Number grade	Letter grade	GPA
90-100	A	4.0
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3.0
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2.0
62-64	C-	1.7
60-61	D	1.0
≤59	F (Failure)	0

Class Schedule

Date	Lecture	Readings	Online Teaching Arrangement
Day 1	Equity Fundamental Analysis	Chapter 19	approximately 60 minutes pre-recorded video lectures
Day 2	The Asset Management Landscape Mutual fund and ETFs	Chapter 4	approximately 60 minutes pre-recorded video lectures
Day 3	Equity Valuation (1)	Chapter 18	approximately 60 minutes pre-recorded video lectures
Day 4	Equity Valuation (2)	Chapter 18	approximately 60 minutes pre-recorded video lectures
Day 5	Equity Valuation (3)	Chapter 18	approximately 60 minutes pre-recorded video lectures
Day 6	Tutorial	tutorial questions and supporting material	
Day 7	Group discussion on the presentation	supporting material	Groups are encouraged to have a thorough discussion on the presentation
Day 8	Macroeconomic and Industrial Analysis	Chapter 17	approximately 60 minutes pre-recorded video lectures
Day 9	Group Discussion on the presentation Online interaction	supporting material	Groups are encouraged to prepare for the presentation
Day 10	Mid-semester exam review	Lecture notes and supporting material	approximately 120 minutes tutorial
Day 11	**Mid-semester Exam**	N/A	
Day 12	Bond Valuation (1)	Chapter 14	approximately 60 minutes pre-recorded video lectures
Day 13	Bond Valuation (2)	Chapter 15	approximately 60 minutes pre-recorded video lectures
Day 14	Portfolio Theory (1)	Chapters 5, 6	approximately 60 minutes pre-recorded video lectures
Day 15	Portfolio Theory (2)	Chapters 7, 8	approximately 60 minutes pre-recorded video lectures
Day 16	Portfolio Theory (3)	Chapters 9, 10	approximately 60 minutes pre-recorded video lectures

Day 17	Group Presentation	N/A	
Day 18	Group Presentation	N/A	
Day 19	Course review	supporting material	approximately 120 minutes tutorial
Day 20	**Final exam**	N/A	120 minutes open-book exam completed any time of the day