UCLouvain

mlsmm2125

2023

Portfolio Management

5.00 credits	30.0 h	Q2

Teacher(s)	D'Hondt Catherine ;
Language :	English
Place of the course	Mons
Main themes	• Portfolio construction and management techniques • Modern Portfolio Theory and beyond • Performance measurement • Sustainable development goals, ESG factors (Environment-Social-Governance) & their integration when investing
Learning outcomes	**At the end of this learning unit, the student is able to :** With regard to the LSM Competency framework at the Master level, this learning unit contributes to the development of the following capabilities: • Corporate citizenship (1.1 + 1.2 + 1.3) • Knowledge and reasoning (2.2 + 2.4) • Scientific and systematic approach (3.1 + 3.2) • Project management (7.1 +7.2 +7.3) At the end of this learning unit, students will be able to: 1 • Calculate the risk and return of individual financial assets and of portfolios of financial assets; • Calculate the traditional performance measures and select the most appropriate measure(s) depending on the context; • Assess the strengths and weaknesses of active vs. passive management strategies; • Explain and apply the tenets of Modern Portfolio Theory (MPT); • Construct and evaluate their own portfolio building on MPT; • Explain and discuss ESG considerations in investing; • Explain the most frequent ESG strategies in asset management; • Apply to their own portfolio the integration of ESG scores.
Evaluation methods	Within this course, students' skills assessment is twofold : • Ongoing assessment with mandatory homeworks (related to the Stock Trak portfolio simulation assignment) to deliver during the semester (50% of the final grade) • Written exam with open questions in session (50% of the final grade) <u>The grade of the homeworks is no longer taken into account in case of second session (resit exam=100% of the grade).</u>
Teaching methods	• Lectures • Stock Trak portfolio management assignment • Exercises

Content	• Introduction
	• Key concepts
	  • Some useful reminders
	  • Market Efficiency Hypothesis
	  • Key players in the industry
	  • Market indices
	• The portfolio management process
	• Modern Portfolio Theory and beyond
	  • Markowitz & the mean-variance efficient frontier
	  • The pitfalls of Modern Portfolio Theory
	  • The Capital Asset Pricing Model
	  • The ESG-efficient frontier
	• Performance Measurement

	• Investment strategies
	  • Basic strategies
	  • Strategic Asset Allocation
	  • Tactical Asset Allocation & Security Selection
	  • Style Investment
	• ESG factors & Sustainable investing
	  • Introduction to Sustainable and Responsible Investment
	  • ESG financial ecosystem
	  • ESG strategies
	  • ESG ratings & the challenge of reporting
	  • Policy & regulatory drivers in Europe

Bibliography	• Bodie, Z., Kane, A., & Marcus, A. J. (2014). Investments (Vol. 10th Edition). New York: McGraw-Hill Education • Portfolio Management: An Overview by Robert M. Conroy, CFA and Alistair Byrne, CFA • Basics of Portfolio Planning and Construction by Alistair Byrne, CFA and Frank E. Smudde, CFA
Other infos	• Teaching material provided in English • Course taught in both French/English
Faculty or entity in charge	CLSM

Programmes containing this learning unit (UE)

Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [120] in Management	GESM2M	5		🔍
Master [120] in Business Management	GENT2M	5		🔍
Master [120] : Business Engineering	INGE2M	5		🔍
Master [120] in Management	GEST2M	5		🔍
Master [120] : Business Engineering	INGM2M	5		🔍