



FIN 377.1 Portfolio Analysis and Management

Fall 2014 Syllabus

Successful completion of the Portfolio Analysis and Management course provides students with comprehensive knowledge of the subject and a set of tools designed to assist them in the investment decision-making process at the portfolio manager level. The prerequisite of FIN 367, Investment Management, is required as the consistent application of knowledge gained in this course will be necessary to complete the assigned case, homework problems, as well as adequately comprehend the assigned readings.

Instructor: Gregory A. Alves | Greg.Alves@mcombs.utexas.edu

Required Text: Running Money: Professional Portfolio Management, by Stewart, Heisler & Piros McGraw Hill, 2011

Optional Text: Managing Investment Portfolios, by Maginn, Tuttle, McLeavey, Pinto, John Wiley & Sons, Inc., 2007

Online Learning Center: www.mhhe.com/sph1e

Office: GSB 4.126G

Office Hours: Wednesdays following class for 1 hour

Course Room & Time: UTC 4.134 MW 12:30 to 2:00 pm

Grading & Reporting

Assignment	Percent	Responsibility	Assessed by
Cases	40%	Team	Instructor
Homework	20%	Student	Instructor
Class Participation	10%	Student	Instructor
Team Assessment	10%	Student	Fellow Team Members
Final Exam	20%	Student	Instructor

- +/- Grading: Letter grades A, A-, B+, B, B-, C+, C, C-, D+, D, D- or F
- No grading curve employed
- No credit beyond the above graded assignments is allocated during or after the end of the semester
- Incompletes may be granted at my discretion and in accordance with the *General Information Catalog* found here: <http://registrar.utexas.edu/catalogs>

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Schedule

Green = Topic | Blue = Assignment | Red = Assignment Due

Week	Monday	Wednesday
01 Aug 27	Break	Topic: Introduction Read for Week 2, 3: CH 1, 2 Assign: Homework 1: CH2_EO 1 st Deliverable
02 Sep 1, 3	Holiday	Topic: Client Objectives
03 Sep 8, 10	Topic: Client Objectives FTTC LAB	Topic: Client Objectives Due: Homework 1: Minutes Read for Week 4: CH 3 Assign: Homework 2: CH3_EO, CH3_P7, P8, P9, P10 [A lot of work so get to it early]
04 Sep 15, 17	Topic: Asset Allocation	Topic: Asset Allocation Due: Homework 2 Read for Week 5: CH 4 Assign: Homework 3: CH4_EO
05 Sep 22, 24	Topic: Asset Allocation Asset Allocation Inputs FTTC LAB	Topic: Asset Allocation Inputs Due: Minutes Read for Week 6: CH 5
06 Sep 29 Oct 1	Topic: Asset Allocation Inputs Advanced Topics in Asset Allocation Due: ***1 st Deliverable*** Assign: 2 nd Deliverable	Topic: Advanced Topics in Asset Allocation Due: Homework 3 Read for Week 7: CH 6 Assign: Homework 4: CH6_EO
07 Oct 6, 8	Topic: The Investment Management Process	Topic: The Investment Management Process Due: Homework 4: Minutes Read for Week 8: CH 7 Assign: Homework 5: CH7_EO, CH7_P6, P7
08 Oct 13, 15	Topic: Equity Portfolio Investing FTTC LAB	Topic: Equity Portfolio Investing Due: Homework 5 Read for Week 9: CH 8 Assign: Homework 6: CH8_EO

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Schedule (continued)

Green = Topic | Blue = Assignment | Red = Assignment Due

Week	Monday	Wednesday
09 Oct 20, 22	Topic: Equity Portfolio Construction	Topic: Equity Portfolio Construction Due: Homework 6: Minutes Read for Week 10: CH 9 Assign: Homework 7: CH9_EO
10 Oct 27, 29	Topic: Fixed-Income Management FTTC LAB	Topic: Fixed-Income Management Due: ***2nd Deliverable*** Read for Week 11: CH 10 Assign: 3rd Deliverable
11 Nov 3, 5	Topic: Global Investing	Topic: Global Investing Due: Homework 7 Read for Week 12: CH 11 Assign: Homework 8: CH10_EO, CH11_EO
12 Nov 10, 12	Topic: Alternative Investment Classes	Topic: Alternative Investment Classes Due: Homework 8: Minutes Read for Week 13: CH 12 Assign: Homework 9: CH12_EO
13 Nov 17, 19	Topic: Portfolio Management through Time FTTC LAB	Topic: Portfolio Management through Time Due: Homework 9 Read for Week 14: CH 13 Assign: Homework 10: CH13_EO
14 Nov 24, 26	Topic: Performance Measurement	Topic: Performance Measurement Read for Week 15: CH 14 Due: Homework 10: Minutes
15 Dec 1, 3	Topic: Incentives, Ethics, and Policy	Topic: Review Due: ***3rd Deliverable Due*** Team Assessment
Final Examination Date: Saturday, December 15, 2:00-5:00 PM		

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Homework

Listed in this syllabus are a number of homework assignments designed to demonstrate your reading comprehension and give you the opportunity to practice your newly acquired knowledge. Completion of these homework assignments will also assist you in the case deliverables discussed in the next section. Homework will consist primarily of the *Excel Outboxes* and occasionally some end of the chapter problems. For example, [CH1_P5](#), [CH2_EO](#), [CH2_PALL](#) is interpreted as chapter 1 problem 5, chapter 2 Excel Outboxes and all chapter 2 problems, i.e., CH for chapter, P for problems where ALL is all problems at the end of the chapter. NOTE WHERE EXCEL OUTBOXES ARE ASSIGNED (EO), YOU MUST COMPLETE ALL OUTBOXES IN THE CHAPTER INCLUDING ANY IN THE CHAPTER'S APPENDIX IF THEY EXIST EXCEPT WHERE NOTED. While it may be possible to acquire the answers to these problem sets, I require that you attempt your best individual effort to complete these problems on your own so that I may identify where, not only you as an individual is having difficulty, but possibly the class in general. In that way, I am able to revisit a subject and reinforce your understanding of the material. Please be as concise as possible with your answers and number the results clearly, so that I may easily identify the solution. Include your name, homework assignment number, and date on your work. **Homework is due at the start of class on the date due. I will not accept late homework** except in those cases described under the "Religious Holy Days" section of this syllabus. Most of the assignments require completion of the chapter's Excel Outboxes. You must complete the Outboxes using a predesigned template, which I will provide to you via e-mail on the assignment date. Do not use the templates available in the Online Learning Center website, which is noted on the first page of this document. All areas of the template will be protected except those that require your input. The file will also have a unique name. **DO NOT CHANGE THE FILE NAME.** Once completed, please attach your file and email to Greg.Alves@mcombs.utexas.edu. Any files sent must reach me at or before the start time of class on the date homework is due. If your work is not complete by the due date, please send me what you have completed in order to

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obtain at least partial credit for those answers you may have completed correctly. Homework received late or not at all will receive a score of zero.

Case Deliverables

Page 519 of the required textbook under the heading, "Sample Cases," contains information about the case deliverables. The class will be broken up into groups. I will assign individuals randomly to each group. Once groups are established, they will remain in place until the end of the semester. Each group will be responsible for the John M. case deliverables outlined in the textbook. Your deliverables must follow at a minimum each outline for each deliverable including the required number of pages in the textbook. Use the outline headings and subheadings in your paper so that I may clearly identify your response to a given problem. **Note: I reserve the right to add, change, or modify the textbook instructions and outline to the case problem.** If I do so, I will give you advanced notice of such changes. You may include charts and tables within your text or include as an appendix. All charts and tables must be labeled clearly, i.e., Table 1, Figure 1, etc. and referenced within the text. Deliver all submissions with 1-inch margins all around, 12-point font type, and single-spacing. Please use some form of binding that allows for easy reading and will not result in shuffled or lost pages. A number of the problems require large amounts of data and a series of steps to complete. For such instances, you must provide the summary output in your paper and deliver separately a spreadsheet containing your calculations via email or thumb drive so that I may confirm your work. Label the problems in your spreadsheet to correspond to the output in your paper for proper assessment and grading. Note: All summary data in the spreadsheet must be included in your paper as a table, figure or chart for grading purposes. You may place these items in an appendix as long as referenced within your paper. You do not need to include the raw data from which you made your summary calculations in your paper only in your spreadsheet.

A late deliverable submission by the group will not be accepted and will receive an F letter grade. If an individual within the group qualifies for a "Religious Holy Days" exemption, he or

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she must follow the notification procedures described herein so that accommodations can be made to assure the group is able to complete the submission on the date due. You will submit a letter grade in accordance with the grading system listed in this syllabus for each of your fellow team members. Your submission will remain confidential. In rare cases where a team member is not performing to an acceptable standard, the group must notify the instructor well in advance of the due date so that the instructor can address the problem before it negatively affects the remaining members. If necessary, the instructor may remove a member and thus require the individual to submit the required deliverables on his or her own.

For the purposes of organization and accountability, each group will be provided with a meeting minutes template. You will email the completed file on the dates due (labeled in the calendar above as “Minutes”). The first of each meeting prior to a deliverable must contain a listing of each group member’s responsibility. The final grade of your deliverable score will be reduced by at least 10% if you fail to fulfill the meeting requirements. Providing these minutes will assist me in the grading process for the deliverable. Generally, the deliverable grade will be applied equally to all members. However, if it becomes evident that a group member has not contributed in a manner consistent with the other members, a reduced or failing deliverable grade, depending on the circumstances, will be assigned to that member. Each member of the group is required to be in attendance for each meeting and a signature page is provided in the template to confirm. While the minutes you provide are not graded separately, their completeness is considered and will influence the outcome of your group’s deliverable grade.

Attendance

A signature page will be issued on random class days to confirm attendance. Attendance is required and exceptions are granted only in those cases where the individual follows the guidelines for “Religious Holy Days.” This includes the Final Examination. **Please review this schedule carefully as you are committing to these dates and times.** It will be your responsibility to accommodate once the semester begins.

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Religious Holy Days

University of Texas at Austin policy requires that you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, I will give you the opportunity to complete the missed work within a reasonable time after the absence.

Policy on Scholastic Dishonesty

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://www.mcombs.utexas.edu/BBA/Code-of-Ethics.aspx>. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Campus Safety

Please note the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety/>:

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- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform their instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at www.utexas.edu/emergency.

Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.