



FIN 377.1 Portfolio Analysis and Management

Spring 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: Tuesdays following class for 1 hour

Course Room & Time: UTC 1.132 TTH 9:30 to 11:00 AM

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 on regular assignments and deliverables
- 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	Tuesday	Thursday
01 Jan 14, 16	<p>Topic: Introduction</p> <p>Read for Week 1, 2: CH 1, 2</p> <p>Assign: Homework 1: CH1_P5, CH2_EO, CH2_PALL, 1st Deliverable</p>	<p>Topic: Client Objectives</p>
02 Jan 21, 23	<p>Topic: Client Objectives</p>	<p>Topic: Client Objectives</p> <p>Due: Homework 1</p> <p>Read for Week 3, 4: CH 3 + (all appendices)</p> <p>Assign: Homework 2: CH3_EO, CH3_P7, P8, P9, P10 [A lot of work so get to it early]</p>
03 Jan 28, 30	<p>Topic: Asset Allocation</p>	<p>Topic: Asset Allocation</p>
04 Feb 4, 6	<p>Topic: Asset Allocation</p>	<p>Topic: Asset Allocation</p> <p>Due: Homework 2</p> <p>Read for Week 5: CH 4</p> <p>Assign: Homework 3: CH4_EO</p>
05 Feb 11, 13	<p>Topic: Asset Allocation Inputs</p> <p>Due: ***1st Deliverable***</p> <p>Assign: 2nd Deliverable</p>	<p>Topic: Asset Allocation Inputs</p> <p>Due: Homework 3</p> <p>Read for Week 6: CH 5</p> <p>Assign: Homework 4: CH5_EO (completion of the outbox in the appendix is not required)</p>
06 Feb 18, 20	<p>Topic: Advanced Topics in Asset Allocation</p>	<p>Topic: Advanced Topics in Asset Allocation</p> <p>Due: Homework 4</p> <p>Read for Week 7: CH 6</p> <p>Assign: Homework 5: CH6_EO</p>
07 Feb 25, 27	<p>Topic: The Investment Management Process</p>	<p>Topic: The Investment Management Process</p> <p>Due: Homework 5</p> <p>Read for Week 8: CH 7</p> <p>Assign: Homework 6: CH7_EO, CH7_P6, P7</p>

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Schedule (continued)

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

Week	Tuesday	Thursday
08 Mar 4, 6	Topic: Equity Portfolio Investing	Topic: Equity Portfolio Investing Due: Homework 6 Read for Week 10: CH 8 Assign: Homework 7: CH8_EO
09	*** SPRING BREAK ***	
10 Mar 18, 20	Topic: Equity Portfolio Construction Due: ***2nd Deliverable*** Assign: 3rd Deliverable	Topic: Equity Portfolio Construction Due: Homework 7 Read for Week 11 & 12: CH 9 Assign: Homework 8: CH9_EO
11 Mar 25, 27	Topic: Fixed-Income Management	Topic: Fixed-Income Management
12 Apr 1, 3	Topic: Fixed-Income Management	Topic: Fixed-Income Management Due: Homework 8 Read for Week 13: CH 10 Assign: Homework 9: CH10_EO
13 Apr 8, 10	Topic: Global Investing	Topic: Global Investing Due: Homework 9 Read for Week 14: CH 11 Assign: Homework 10: CH11_EO
14 Apr 15, 17	Topic: Alternative Investment Classes Due: Homework 10 Read for Apr 17 & Week 15: CH 12 Assign: Homework 11: CH12_EO	Topic: Portfolio Management through Time
15 Apr 22, 24	Topic: Portfolio Management through Time Due: Homework 11 Read for Apr 24 & Week 16: CH 13 Assign: Homework 12: CH13_EO	Topic: Performance Measurement
16 Apr 29 May 1	Topic: Performance Measurement Due: Homework 12 Read for May 1: CH 14	Topic: Incentives, Ethics, and Policy + Review Due: ***3rd Deliverable Due*** Team Assessment
Final Examination Date: Friday, May 9, 9:00-12:00 noon		

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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, [Homework 1: 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 the predesigned template, which you will download at the online learning center website listed on the first page of this document. Since most of the homework assigned consists of these Excel templates, I recommend that you complete all of your work in an Excel file with an identifying sheet listing your name, homework number, and date. Once completed, please attach your file and email to Greg.Alves@mcombs.utexas.edu. Any files sent must reach me just prior to the start of class when the homework is due. If your work is not complete by the due date, please send me what you have completed in order to obtain at least partial credit for

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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.

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.

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

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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/>:

- 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

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- 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/>.