

ST. JOHN'S UNIVERSITY
NEW YORK

THE PETER J. TOBIN COLLEGE OF BUSINESS

Department of Economics and Finance

SYLLABUS

Finance 284
Asset Management

Submitted Spring 2005
Thomas Liaw

DEPARTMENT

Economics and Finance

COURSE NAME

Asset Management

COURSE NUMBER

Finance 284

COURSE DESCRIPTION

The course examines the issues involved in the management and investment strategies of an endowment. It focuses on asset allocation, portfolio monitoring and evaluation, portfolio rebalancing, and investment analysis. Industry executives will participate in class presentations and discussion. All recommendations, to buy or sell, are to be presented to and approved by the Investment Committee.

COURSE OBJECTIVES

1. Prepare students who are currently working, or would like to work, in the asset management business with an in depth understanding of how the asset management business works and how companies organize to provide superior asset management products and services to individual and institutional investors.
2. Provide a disciplined learning process for all aspects of portfolio management, including research, operations, performance monitoring, portfolio risk management, documentation and promotion of the program. The focus is on the learning process; portfolio performance is not a factor for the course grade.
3. To give students a basic understanding of the role asset management firms play in our society and how the products and services they provide contribute to savings and the creation and use of capital.
4. All students in the Investment Fund shall have the opportunity to help make investment recommendations and decisions about stocks, bonds, and foreign controlled securities such as American Depositary Receipts.
5. All students will be expected at some point to provide satisfactory written reports related to portfolio strategies and investment recommendations, and to make oral presentations.

6. All students will be expected to be active participants in the overall investment management process, to contribute to the various administrative tasks that are a part of modern portfolio management, and to engage in selective educational outreach to student clubs and other groups.
7. The student recommendations on investment strategies and security selections are subject to approval by the Investment Committee and the oversight by the Supervisory Board. Once approved, the designated person at the SJU Treasurer's office will carry out the transactions.
8. To help students become familiar with current developments in the asset management business by reading the daily financial press and submitting articles about asset management issues with comments about how they relate to the course material.

COURSE OUTLINE

<u>WEEK</u>	<u>SUBJECT AREA</u>
1	Introduction Investment Guidelines and Policies Asset Allocation and Portfolio Monitoring Investment Strategies and Alternative Investments
2	Portfolio Updates Review of Security and Portfolio Analysis Exchanged Traded Funds Benchmarking Suggestions of New Securities
3	Portfolio Updates Review of Security and Portfolio Analysis Discussion of Suggestions of New Securities Ranking of Recommendations
4	Portfolio Updates Presentation of New Securities New Ranking—focus on top choices Review of Valuation Techniques
5	Portfolio Updates Draft Report on Selected Securities Review of Valuation Techniques Invited Speakers from Researched Companies

- 6 Portfolio Updates
Each Group Presents Its Focus Security
Review of Technical Analysis
- 7 Portfolio Updates
Draft Written Report & Presentation of Focus Securities to Class
Additional Research
- 8 Portfolio Updates
Complete Written Report & Presentation of Focus Security to Class
Class Debates and Votes on Recommendations
- 9 Portfolio Updates
Final Draft and Presentation to Investment Committee
- 10 Portfolio Updates
New Securities
Watch List, Rationale and Proposed Actions
- 11 Portfolio Updates
Security Research Updates
New Focus List
- 12 Portfolio Updates
Presentation on New Focus List
Asset Allocation and Rebalance
Invited Speakers
- 13 Portfolio Updates
Complete Written Reports
Class Debates and Votes on Recommendations
- 14 Portfolio Updates
Presentation of Recommendations, and/or
Reports on Portfolio to Investment Committee
Class Evaluation

METHOD OF INSTRUCTION

Lectures, case studies, discussions, outside speakers, and company visits

SUGGESTED GRADING

Group Research Reports and Presentations 40%

Class Attendance	20%
Class Participation and Contribution	40%

SUPPLEMENTAL ASSIGNMENTS:

Classroom	45 Hours
Reports	50 Hours
Cases	30 Hours
Readings and projects	<u>30 Hours</u>
Total	155 Hours

RECOMMENDED READINGS

Pozen, Robert C. The Mutual Fund Business, MIT Press, 2002.

Harvard Business School Cases:

1. Susan Griffin: Formulation of a Long-Term Investment Strategy
2. Dimensional Fund Advisors--2002
3. ATP Private Equity Partners (B): Investment Strategy and Organization
4. Valuation Issues in Start-Ups & Early-Stage Companies
5. Yale University Investments Office
6. Keller Fund's Option Investment Strategies

Additional Readings:

Research Reports from Previous Classes

BIBLIOGRAPHY

Association for Investment Management Standards of Practice Handbook, Professional Book Distributors, 8th edition, 1999.

Bernstein, Peter. "Points of Inflection: Investment Management Tomorrow," Financial Analyst Journal, v59n4, July/August 2003.

Choudry, Moorad. Bond and Money Markets : Strategy, Trading, Analysis, Butterworth-Heinemann, 2003.

Copeland, Tom, Tim Koller, and Jack Murrin. Valuation: Measuring and Managing the Valuation of Companies, John Wiley & Sons, Inc., 2000.

Fabozzi, Frank. Bond Markets: Analyses and Strategies, Prentice Hall, 5th edition, 2003.

Gibson, Roger. Asset Allocation: Balancing Financial Risk, McGraw-Hill, 2000.

Graham, Benjamin. Benjamin Graham Classic Collections, McGraw Hill, 1999.

Gandy, Andrew. Information Technology and Financial Services: The New Partnership, Glenlake Publishing, 1997.

Journal of Investing, various issues.

Journal of Portfolio Management, various issues.

Kung, Edward, and Larry Pohlman. "Portable Alpha," Journal of Portfolio Management, Spring 2004.

Liaw, Thomas. Capital Markets, Thomson/South-Western, 2004.

Reilly, Frank, and Keith Brown. Investment Analysis and Portfolio Management, Thomson/South-Western, 2002.

Research Reports, on various companies from Wall Street firms.