

EF4328: ASSET MANAGEMENT

Effective Term

Semester A 2024/25

Part I Course Overview

Course Title

Asset Management

Subject Code

EF - Economics and Finance

Course Number

4328

Academic Unit

Economics and Finance (EF)

College/School

College of Business (CB)

Course Duration

One Semester

Credit Units

3

Level

B1, B2, B3, B4 - Bachelor's Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

EF3320 Security Analysis and Portfolio Management and EF4822 Financial Econometrics

Precursors

Nil

Equivalent Courses

Nil

Exclusive Courses

Nil

Part II Course Details

Abstract

The course describes some of the main trading strategies used by active traders and provides a methodology to analyze them. The course covers individual equity markets (discretionary equity investing, short selling, quantitative equity

strategies), tactical asset allocation across equity indices, currencies, fixed-income, and commodities (global macro investing, managed futures strategies), and relative-value arbitrage strategies (fixed income arbitrage, convertible bond arbitrage, event driven investments).

Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Justify and explain the knowledge of active asset management industry and major strategies.	20	x	x	
2	Explain and apply the concepts of performance evaluation of trading strategies.	15	x	x	x
3	Explain and apply the concepts of portfolio construction and risk management.	15		x	x
4	Apply the key active equity strategies – discretionary and quantitative.	20		x	x
5	Apply macro strategies – asset allocation.	15		x	x
6	Explain arbitrage strategies – fixed income arbitrage and event-driven.	15		x	x

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

Learning and Teaching Activities (LTAs)

LTAs		Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures	Students will engage in lectures about basic concepts and frameworks and discover the methodology of active asset management and applications.	2, 3, 4, 5	3 hours lecture per week
2	Peer Discussion	Students will engage in structured discussion with peers to identify areas to improve on in their returned assessment tasks.	1, 2, 3, 4, 5, 6	

Assessment Tasks / Activities (ATs)

ATs		CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Group projects / case studies	1, 2, 3, 4, 5, 6	30	Students will implement and analyze a particular investment strategy based on real data. This is the key step in developing students' abilities and skills to discover and innovate.
2	Assignments / In-class discussions, attendance	2, 3, 4, 5	20	To enhance students' understanding of the key concepts and theory covered in the lectures. Students will discover the basics of active asset management strategies and tools to evaluate performance and manage risk.

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

2

Assessment Rubrics (AR)**Assessment Task**

Group projects / case studies,

Criterion

Based on in-class presentation/project write-up.

Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

Good (B+, B, B-)

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

Fair (C+, C, C-)

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material

Marginal (D)

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure (F)

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.

Assessment Task

Assignments

Criterion

Based on performance on take-home problem sets

Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

Good (B+, B, B-)

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

Fair (C+, C, C-)

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material

Marginal (D)

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure (F)

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.

Assessment Task

In-class discussions/ attendance

Criterion

Based on active participation/class attendance.

Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

Good (B+, B, B-)

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

Fair (C+, C, C-)

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material

Marginal (D)

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure (F)

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.

Assessment Task

Final Examination

Criterion

Based on 2-hour final exam.

Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

Good (B+, B, B-)

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

Fair (C+, C, C-)

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material

Marginal (D)

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure (F)

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.

Part III Other Information

Keyword Syllabus

Active Asset Management, Portfolio Construction, Performance Evaluation, Backtesting Strategies, Equity Valuation and Discretionary Equity Investing, Quantitative Equity Strategies, Macro Strategies, Event-Driven Arbitrage, Fixed-Income Arbitrage, Managed Futures

Reading List**Compulsory Readings**

Title	
1	Efficiently Inefficient: How Smart Money Invests and Market Prices are Determined, by Lasse H. Pedersen, Princeton University Press.

Additional Readings

Title	
1	Investments, by Zvi Bodie, Alex Kane, and Alan J. Marcus, McGraw-Hill.
2	Fixed Income Securities: Tools for Today's Markets, 3rd Edition, University Edition, by Bruce Tuckman and Angel Serrat, Wiley.
3	Asset Management: A Systematic Approach to Factor Investing, by Andrew Ang, Oxford University Press.