



FREIE UNIVERSITÄT BOZEN

LIBERA UNIVERSITÀ DI BOLZANO

FREE UNIVERSITY OF BOZEN · BOLZANO

Faculty of Economics and Management

M.Sc. (*Laurea Magistrale*) degree program in Accounting and Finance (LM77/D.M. 270) – 2nd Year
Academic Year 2023/2024 – Second Semester

Asset Management and Performance Analysis (AMPA #25409) Syllabus and Outline

Lecturer: Prof. Dr. Maurizio Murgia, Ph.D., M.B.A.

This syllabus-outline describes policies, procedures and the timetable for this course. Please read it. You will find yourself less disoriented and stressed-out if you read it now, at the beginning of the course. It will make your life more predictable. You will also save yourself time and effort, as the syllabus will answer questions you would otherwise have to run around frantically at the last minute trying to find the answer to.

Last revision: Wednesday, 06 March 2024

How to locate and contact me:

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If you have quick questions, you may email me by using an UNIBZ email account and put the course name in the subject heading. Be aware that I'll not reply to emails related to this course teaching matters unless they are sent through a UNIBZ email accounts. If you need longer consultations, it would be advisable to book an appointment during office hours.

1. Course brief description

Asset Management and Performance Analysis (AMPA) is a graduate course designed to provide the student with the theory and the quantitative tools that are necessary for active and passive portfolio management. AMPA will concentrate on long-only investment strategies. The course will feature Guest Speaker as part of "The Practice of Asset Management" meetings intended to provide students with professional presentations from the real world of firms in the business of investment management, consulting, and fund performance evaluation.

2. Course focus and objectives

Active portfolio management consists of valuation, idea generation and investment opportunities. On valuation, master student in A&F have attended first year classes in Accounting, Corporate Finance, Economics, Financial Mathematics and Statistics which all together contribute to the necessary background to implement an active approach to valuation of firms, industries and consequently of their traded securities (e.g. stocks and bonds). On idea generation, active management consists of implementing either a systematic strategy or a discretionary one. In Asset Management industry professionals are often classified under a certain style of investments, for example growth or value, larger cap or small cap stocks, industry specialized, etc. Once the portfolio manager selects her/his focus on generating investment ideas, she/he also will target a universe of investment opportunities. For example, if the investor wishes to specialize on large cap stocks, she/he may also focus on the US market rather than the EU market. Alternatively, she/he may manage an internationally diversified large cap stock portfolio. Passive portfolio management is based on the idea to minimize transaction costs and take market prices as the best signal of security value. Passive strategies are typically implemented through index funds, ETF [exchange traded funds] and similar investment vehicles. Of course, money managers may mix both active and passive approaches in their portfolio management strategies.

3. Pre-requisites

This course is taught in a one-month period, so it is intensive and demanding. Knowledge of topics studied in undergraduate introductory courses in finance, and in addition graduate/master level first year classes are highly recommended. However, a good level of familiarity with a spreadsheet package such as Excel will help a lot to deal with exercises, case study analysis and financial computations. I specifically recommend that students have a good knowledge of all Excel financial formulas so they can quickly figure out which one to use during intensive quantitative case analysis as well as during in-class test sessions.

4. Required Textbook

(BKM) Zvi Bodie, Alex Kane and Alan J. Marcus, Investments, 11th edition, McGraw-Hill 2018.

(Required Parts [Chapters] are: Part II [5-6-7-8], Part III [9-10-11-13], Part VII [24-25].

5. ATTENDING STUDENTS: teaching, learning and administrative matters

5.1. Registering and using UNIBZ OLE (Open Learning Environment) platform

Students willing to attend AMPA must register with their name and surname and upload the Unibz ID photo.

Please note the AMPA a.y. 2023-2024 course self-enrolment key for attending students is: “**AMPA2024**”.

By completing the OLE platform registration a student will be able to access course blog discussion forum and receive access to the following course teaching material:

- Course detailed syllabus and timetable;
- Problem sets and exercises;
- Course case study assignment guidelines.

Students should regularly check the course OLE forum/announcements for updates, changes in the course timetable, and other important announcements.

5.2. Attending student teaching material

Students attending AMPA will have to build their preparation and course background on the following:

- a. Main textbook **BKM** required chapters (see previous section 4);
- b. Teaching slides (Powerpoint slides) to be presented and discussed during classroom activity. Each session teaching slides pdf file will be usually posted before class time on the OLE platform;
- c. Supplementary readings available on the FUB Library course Reserve Collection;
- d. Case studies and ancillary material (e.g. excel student files) could be downloaded from course OLE platform.

5.3. Teaching and Learning

The class will combine background material, problem sets solution discussion, case study analyses, quantitative and qualitative analyses and discussion of relevant news. The pace of the course is swift, and mastery of the material can be time-consuming. Therefore, a substantial and continuing commitment is necessary. I believe that attending lectures, taking notes, and asking questions is an excellent way to learn the fundamental aspects of modern advanced topics in corporate finance. Next, some further suggestions to maximise your benefits and learning by attending AMPA:

- a) Attending students are expected to be in class. Informing instructors of your possible absence, preferably by e-mail, is not only courteous, but also shows professionalism and seriousness. However, missed classes would call for extra effort on the part of the student concerned to catch up.
- b) Class participation and discussion is both expected and encouraged. This means that students will be required to do a lot of talking. Students are expected to have thoroughly read all the assigned material in advance of the class to ensure better understanding of the issues involved and to have meaningful class participation. Details of each session readings are provided in the course detailed syllabus and timetable.

- c) Material covered in the mandatory textbook (**BKM**) chapters not always will be repeated in class. Thus, student must be aware that for sake of time constraint, some important material would not be necessarily presented in class. Class time will be devoted to background and examples/cases discussions, which apply the material covered in the readings.
- d) Students are encouraged to follow the stock market and investment activity that is reported in the press during classroom time and bring up issues and events associated with material covered in class. Please coordinate with me in advance. Consequently, regular reading of Financial Times, Wall Street Journal Europe, and The Economist, is very useful and encouraged to ensure that the appropriate connections are made between material covered in class and the current business and economic developments.
- e) AMPA course will host Dr. Davide Guzzi, Portfolio Manager at Eurizon Capital Sgr Milano, to provide a practical perspective of current trends in the Asset Management Industry.

6. ATTENDING STUDENT ASSESSMENT

Student course final grade will be a weighted average of:

A. Mid-term test on March 14, 2024	50%
B. In-class Final test on March 28, 2024	50%

Please note that I'll assign final grades following as much as I can a normal distribution. However, in-class tests and their grades are valid for one academic year and cannot be carried over beyond that time.

Mid-term test is scheduled on **Thursday, March 14-2024**, and is open book and notes. It will last 1 hour and 45' and will cover first-half syllabus material (see below course outline, weeks 1-2-3-4). Mid-term questions and problems will be comparable to those we'll examine during in-class weekly problem sets, as well as end-of-chapters problems students can find in the suggested textbook of **BKM**.

In-class final test is scheduled on **Thursday, March 28-2024**, and is open book and notes. It will last 1 hour and 30' and will cover second-half syllabus material (see below course outline, weeks 5-6-7) with questions and problems like those examined in-class weekly problem sets as well as end-of-chapters problems students can find in the suggested textbook of **BKM**.

In-class tests will allow student to access MS Word and Excel software to be used to write exam questions and perform quantitative analysis. Grades will be based on both the approach taken and the correctness of the response. To obtain good marks take care to write in a very good and clear English. That will enable the grader to follow your reasoning. In marking I will evaluate spelling and grammatical style.

Please note that attending students that earn a passing grade from a positive evaluation of 6.1 and 6.2 must register to and be present at final exam session date to validate their AMPA course final grade.

Class attendance will be checked and enforced. If a student misses more than two sessions, she/he will not be allowed to take “attending student” assessment in-class tests, but she/he will be directed to take “not attending student” final exams (see below).

7. NOT ATTENDING STUDENTS: Learning and Assessment

Not-attending student assessment will be through final exam only, which counts as 100% of final grade. Please read previous section 6 for final exam guidelines. Not attending students will have to build their preparation on the AMPA course material through the following:

- A. Main textbook BKM mandatory chapters.
- B. Teaching slides (Powerpoint slides) available on the course OLE platform.
- C. Suggested supplementary readings available on the FUB Library course RC.
- D. To register on the course OLE platform, please follow instructions at previous section 5.1 and register as NOT ATTENDING STUDENT.

8. Academic integrity

The Faculty of Economics and Management expect from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrates a high standard of individual honor in her or his scholastic work.

9. Never forget the basic rules of Asset Management

- a) Investing is a good thing; gambling is a bad thing! Thus, the wise investor should direct his gambling impulse to investment in financial markets, which is a casino with the odds in your favor!*
- b) It is difficult to make money, it is difficult to make money, it is difficult to make money*

COURSE OUTLINE

The following outline may be modified depending on the progress of the class or if the instructor feels that some other material or topic may be more topical and relevant.

SESSION	DATE TIME Classroom	TOPIC	REQUIRED READING	
			TEXTBOOK AND READINGS	PROBLEM SETS
WEEK 1				
1	M-Mar 4, 24 2-6 pm E 522	Course Introduction Syllabus, Timetable, Classroom activity, and student assessment - OLE platform Review of Portfolio and Capital Market Theory	BKM – Ch. 5-6-7-8	After classes, work on the following end-of-chapter 5-6-7-8 on BKM book: 5-12; 5-16; CFA problems 3-4-5. 6-13; 6-14; 6-15; 6-16. // 7-4; 7-5; 7-6. // 8-6; 8-7; 8-8. CFA problems: 6 (1-2-3); 7 (1-2-3); 8 (1-5).
OH	M-Mar 4, 24 6-7 pm E-501	<i>Office Hour</i>		
2	T-Mar 5, 24 4-6 pm E 320 A+B	Cont'd: Review of Portfolio and Capital Market Theory – Review of assigned exercises from BKM Chapters 5-6-7-8	BKM – Ch. 5-6-7-8	
OH	T-Mar 5, 24 6-7 pm E-501	<i>Office Hour</i>		
3	W-Mar 6, 24 4-6 pm E 320 A+B	Asset Pricing, Market Efficiency and Inefficiency, Investment Strategies	BKM – Ch. 9-10-11-13	
OH	W-Mar 6, 24 6-7 pm E-501	<i>Office Hour</i>		

COURSE OUTLINE: *Continued*

SESSION	DATE TIME Classroom	TOPIC	REQUIRED READING	
			TEXTBOOK AND READINGS	PROBLEM SETS
CONT'D WEEK 1				
4	Th-Mar 7, 24 8-10 am E 331	Cont'd: Asset Pricing, Market Efficiency and Inefficiency, Investment Strategies	BKM – Ch. 9-10-11-13	After classes, work on the following end-of-chapters 9-10-11-13 on BKM book: 9-10; 9-11; 9-12; 9-13; 9-14; 9-15; 9-16. //10-4; 10-5. CFA problems 9 (2-7); 10 (1-6). 11-10; 11-11 //13-1; 13-2; 13-3; 13-4; 13-5; 13-6; 13-7. CFA problems 11 (3-10); 13 (3).
OH	Th-Mar 7, 24 10 am-12 pm E-501	<i>Office Hour</i>		
5	F-Mar 8, 24 8-10 am E-423	Cont'd Asset Pricing, Market Efficiency and Inefficiency, Investment Strategies Review of assigned exercises from BKM Chapters 9-10-11-13	BKM – Ch. 9-10-11-13	
OH	F-Mar 8, 24 10-11 am E-501	<i>Office Hour</i>		

COURSE OUTLINE: *Continued*

SESSION	DATE TIME Classroom	TOPIC	REQUIRED READING	
			<i>TEXTBOOK AND READINGS</i>	<i>PROBLEM SETS</i>
WEEK 2				
6	M-Mar 11, 24 2-6 pm E 320 A+B	Review of first part course Assigned exercises from BKM Chapters 5-6-7-8-9-10-11-13		
OH	M-Mar 11, 24 6-8 pm E-501	<i>Office Hour</i>		
7	Th-Mar 14, 24 10 am-12pm D 003	MID-TERM TEST		
8	F-Mar 15, 24 8-10 am E 423	International Diversification	BKM – Ch. 25	After class, work on the following end-of-chapter questions in the BKM book: 25-3; 25-4; 25-5. CFA problems: 25-6.
OH	F-Mar 15, 24 10 am-12pm E-501	<i>Office Hour</i>		
9	F-Mar 15, 24 4-6 pm E 422	Review of assigned exercises from BKM Chapter 25 on International Diversification	BKM – Ch. 25	After class, work on the following end-of-chapter questions in the BKM book: 24-3; 24-4; 24-9. CFA problems: 24-2.
10	S-Mar 16, 24 9-11 am E 320 A+B	Guest Speaker Davide Guzzi Portfolio Manager Eurizon Capital SGR, Milano How macro data impact markets – Bloomberg Live Session – Are we heading to a soft or hard landing?	Guest Speaker slide presentation	

COURSE OUTLINE: *Continued*

SESSION	DATE TIME Classroom	TOPIC	REQUIRED READING	
			<i>TEXTBOOK AND READINGS</i>	<i>PROBLEM SETS</i>
WEEK 3				
11	Th-Mar 21, 24 8-10 am E 320	Investment Performance Analysis	BKM – Ch. 24	After class, work on the following end-of-chapter questions in the BKM book: 24-3; 24-4; 24-9. CFA problems: 24-2.
OH	Th-Mar 7, 24 10 am-11 am E-501	<i>Office Hour</i>		

COURSE OUTLINE: *Continued*

SESSION	DATE TIME Classroom	TOPIC	REQUIRED READING	
			<i>TEXTBOOK AND READINGS</i>	<i>PROBLEM SETS/CASE STUDY</i>
WEEK 4				
12	M-Mar 25, 24 2-6 pm E 320 A+B	Cont'd Investment performance Analysis Review of assigned exercises from BKM Chapter 24 Case study: The Unidentified Equity Managers		HBS 9-217-055
OH	M-Mar 25, 24 6-7pm E-501	<i>Office Hour</i>		
13	T-Mar 26, 24 8-10 am E 320 A+B	Factor Investing: Green and sustainable finance	Instructor slides	Tutorial and Exercises
OH	T-Mar 26, 24 10-11 am E-501	<i>Office Hour</i>		

COURSE OUTLINE: *Continued*

SESSION	DATE TIME Classroom	TOPIC	REQUIRED READING	
			<i>TEXTBOOK AND READINGS</i>	<i>PROBLEM SETS/CASE STUDY</i>
CONT'D WEEK 4				
14	W-Mar 27, 24 8-10 am E 320 A+B	Cont'd: Factor Investing Green and sustainable finance	Instructor slides	Tutorial and Exercises
OH	W-Mar 27, 24 10 am-12 pm E-501	<i>Office Hour</i>		
OH	Th-Mar 28, 24 9-10 am E 5.01	<i>Office Hour</i>		
15	Th-Mar 28, 24 10 am-12 pm A 5.18	IN CLASS FINAL TEST		
CLASSROOM ACTIVITY COMPLETED				

Final Exam Sessions

SECOND SEMESTER: SPRING EXAM SESSION

W-May 15, 2024
2:00 pm-4:00 pm
D1.01

Final Exam Session: Asset Management and Performance Analysis

SECOND SEMESTER: SUMMER EXAM SESSION

F-Sept 6, 2024
2:00 pm-4:00 pm
A 5.18

Final Exam Session: Asset Management and Performance Analysis