



AFCP8045

Applied Portfolio Management

AFC term 2, Weekday attendance, City 2020

Department of Applied Finance

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Disclaimer

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General Information

Unit convenor and teaching staff

Dan Daugaard

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Contact via Email

Credit points

5

Prerequisites

AFCP801 or AFCP8001 or ECFS865

Corequisites

Co-badged status

Unit description

This unit considers the practice of money management. It reviews the major issues currently occurring in the funds management industry. A significant portion of the unit is devoted to syndicate-style case studies. This provides an opportunity to explore the strategies and techniques employed by successful investment managers.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

ULO1: Identify, describe and assess current issues and investment techniques in portfolio management.

ULO2: Evaluate strategies and drivers in portfolio management, both as an individual and as a team.

ULO3: Assess the impact that investor's choices have on portfolio outcomes.

Assessment Tasks

Coronavirus (COVID-19) Update

Assessment details are no longer provided here as a result of changes due to the

Coronavirus (COVID-19) pandemic.

Students should consult [iLearn](#) for revised unit information.

[Find out more about the Coronavirus \(COVID-19\) and potential impacts on staff and students](#)

General Assessment Information

Information - Extension Requests / Penalties

Final Exam (50%)

You are expected to present yourself for examination at the time and place designated in the relevant MAFC Timetable at <https://www.mq.edu.au/about/about-the-university/faculties-and-departments/business/study-with-us/macquarie-applied-finance-centre/timetables>.

Deferral of an examination is not permitted unless an application for Special Consideration is made and approved.

Students who do not attend receive a mark of zero. This penalty does not apply in cases where an application for Special Consideration has been made and approved.

Note: Applications for Special Consideration must be made within 5 (five) business days of the due date and time.

Refer to MAFC Program Rules at <https://mafcstudents.mq.edu.au/> for information on the University's [Special Consideration Policy](#).

Delivery and Resources

Coronavirus (COVID-19) Update

Any references to on-campus delivery below may no longer be relevant due to COVID-19.

Please check here for updated delivery information: https://ask.mq.edu.au/account/pub/display/unit_status

CLASSES

Face-to-Face Teaching: Generally 20 hours.

Timetable: Detailed timetable for classes are on the Centre's website at www.mafc.mq.edu.au

Consultation Times:

Students who wish to contact any of the teaching staff may do so through:

- The unit's iLearn site, in relation to general queries (so that all students may benefit); or
- Individual consultation with the lecturer by email in the first instance, if necessary.

REQUIRED AND RECOMMENDED TEXTS AND/OR

MATERIALS

Suggested Text: Elton, Gruber, Brown & Goetzmann: *Modern Portfolio Theory and Investment Analysis*, Wiley.

Additional Readings:

- Additional readings are included in the unit notes and will be placed on iLearn.
- **Students should assume these readings are examinable unless otherwise advised.**

Lecture Notes: Available in printed form and electronically via iLearn.

Pre-course Knowledge:

The Gateway units of the Graduate Certificate in Finance represent the pre-course knowledge required to successfully study the advanced applied finance units of the Masters of Applied Finance and the Graduate Diploma of Applied Finance. Please refer to the following page for instructions on reviewing the unit guides for the gateway units: <http://mafcstudents.mq.edu.au/new-to-mafc/pre-course-materials/>

Useful References:

- Bodie, Kane & Marcus; Investments, McGraw Hill.
- Grinold & Kahn, Active Portfolio Management, McGraw Hill.
- Stewart, Piros & Heisler, Running Money – Professional Portfolio Management

Calculators:

- A financial calculator that can handle time value of money calculations, logs and power functions is required.
- The Hewlett Packard calculator hp17bII+ is recommended.
- In examinations, hand held calculators are permitted. Mobile phones and computers are not permitted.

Assumed Access:

- Access to a computer with word processing and spreadsheet capability is assumed, as is general computer literacy.

TECHNOLOGY USED AND REQUIRED

Unit iLearn Site:

- Found by logging on to iLearn ilearn.mq.edu.au, then clicking on **AFCP8045 Applied Portfolio Management**.
- This is where you will find links to forums, downloadable resources and other important pages.

- Forums allow you to communicate with other students and lecturer(s) and may provide supplementary material.
- You are requested to post questions to the forum at least 24 hours prior to the assignment submission date or the examination date. Questions posted after that time may not be answered. **Please try to not leave your questions to the last few days.**

Important Notice:

- It is important that you familiarise yourself with iLearn.
- All students should check iLearn regularly (minimum twice a week and prior to all lectures) and look for updates and distribution of materials (including case studies) related to the unit or assessments and, if relevant, participate in forum discussions.

Unit Schedule

Coronavirus (COVID-19) Update

The unit schedule/topics and any references to on-campus delivery below may no longer be relevant due to COVID-19. Please consult [iLearn](#) for latest details, and check here for updated delivery information: https://ask.mq.edu.au/account/pub/display/unit_status

SESSION I. INVESTMENT INDUSTRY OVERVIEW: INVENTIONS AND TRENDS

Topics:

- A review of Investment theories and techniques: Origins, MPT, MFM and BFT
- Trends and developments occurring in the industry
- An overview of the major players

SESSION II. CAPTURING INVESTMENT OPPORTUNITIES: ASSET RETURN PATTERNS AND PORTFOLIO IMPLEMENTATION

Topics:

- The anomalies and behaviour of security prices
- The Global Volatility Premium
- The equity risk premium
- ESG Investing
- Smart Beta
- Growth in ETFs
- How can we turn ideas into portfolios?

- Case Study One Objectives

SESSION III. ASSET ALLOCATION

Topics:

- A surplus framework
- Modern tactical asset allocation
- Adaptive strategies
- Criticisms of optimisation
- The fundamental law

SESSION IV. PROTECTIVE STRATEGIES

Topics:

- Portfolio construction solutions - protecting the downside
- Financial engineering approaches – buying options, replicating options, portfolio insurance

Case Studies:

- Case Study One Syndicate Presentations
- Case Study Two Objectives

SESSION V. PERFORMANCE EVALUATION

Topics:

- Review of performance measures
- Multiple factor performance evaluation
- Non symmetrical performance measures

Case Studies and Assignment:

- Case Study Two Syndicate Presentations
- Assignment Objectives

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>).

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/study/getting-started/student-conduct>

Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit ask.mq.edu.au or if you are a Global MBA student contact globalmba.support@mq.edu.au

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to help you improve your marks and take control of your study.

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

If you are a Global MBA student contact globalmba.support@mq.edu.au

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.