



AFCP8091

Alternative Assets

AFC term 3, Weekday attendance, City 2020

Department of Applied Finance

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General Information

Unit convenor and teaching staff

Al Clark

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Contact via Email

Credit points

5

Prerequisites

AFCP801 or AFCP8001 or ECFS865

Corequisites

Co-badged status

Unit description

This unit is designed as an introduction to alternative assets and covers the 3 broad categories of alternative investments, namely 'real assets', hedge funds and private equity. The unit examines the basic strategies and techniques within each of these categories, their return and risk characteristics and the potential role they play within an investment portfolio. Alternative assets can exhibit different risks than traditional assets and so a focus is given to their contribution to liquidity, fees, risk budgeting and factor analysis to help better understand the costs and benefits from a portfolio context. The unit content will also explore the contemporary challenges facing the alternative investments industry, providing context around issues like insider trading, fees and regulatory constraints.

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: Analyse and explain the features of the alternative investment industry and the key characteristics of the different investment categories.

ULO2: Critically analyse alternative investment managers' techniques and strategies, including a comparison to more traditional investment strategies.

ULO3: Evaluate the attractiveness of different alternative investments with respect to pricing, valuation and liquidity.

ULO4: Apply research principles and methods when incorporating alternative investments into an investment portfolio.

ULO5: Identify and analyse contemporary challenges and issues in the alternative investment industry.

General Assessment Information

Information - Extension Requests / Penalties

Class Presentation (10%)

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.

Further information on submitting an Application for Special Consideration can be found at <http://students.mq.edu.au/study/my-study-program/special-consideration>.

Case Study (30%)

No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission incurs a 20% penalty). This penalty does not apply for cases in which an application for Special Consideration is made and approved.

Late submissions will be accepted up to 96 hours after the due date and time.

Further information on submitting an Application for Special Consideration can be found at <http://students.mq.edu.au/study/my-study-program/special-consideration>.

Final Examination (60%)

Refer to the relevant MAFC timetable for information on your online final exam <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.

Further information on submitting an Application for Special Consideration can be found at <http://students.mq.edu.au/study/my-study-program/special-consideration>.

Assessment Tasks

Name	Weighting	Hurdle	Due
Class Presentation	10%	No	Refer to iLearn
Case Study	30%	No	Refer to iLearn
Final Examination	60%	No	Refer to Timetable

Class Presentation

Assessment Type ¹: Presentation

Indicative Time on Task ²: 0.00 hours

Due: **Refer to iLearn**

Weighting: **10%**

Class presentation of up to 10 minutes based on research and analysis of an alternative investment strategy available for investors.

On successful completion you will be able to:

- Critically analyse alternative investment managers' techniques and strategies, including a comparison to more traditional investment strategies.
- Identify and analyse contemporary challenges and issues in the alternative investment industry.

Case Study

Assessment Type ¹: Case study/analysis

Indicative Time on Task ²: 14.00 hours

Due: **Refer to iLearn**

Weighting: **30%**

A case study in alternative assets to be worked on in groups but submitted individually as a report of up to 2,500 words.

On successful completion you will be able to:

- Critically analyse alternative investment managers' techniques and strategies, including

a comparison to more traditional investment strategies.

- Apply research principles and methods when incorporating alternative investments into an investment portfolio.
- Identify and analyse contemporary challenges and issues in the alternative investment industry.

Final Examination

Assessment Type ¹: Examination

Indicative Time on Task ²: 17.00 hours

Due: **Refer to Timetable**

Weighting: **60%**

A two-hour examination (closed book) will be held during the Term's Exam Week.

On successful completion you will be able to:

- Analyse and explain the features of the alternative investment industry and the key characteristics of the different investment categories.
- Critically analyse alternative investment managers' techniques and strategies, including a comparison to more traditional investment strategies.
- Evaluate the attractiveness of different alternative investments with respect to pricing, valuation and liquidity.
- Apply research principles and methods when incorporating alternative investments into an investment portfolio.
- Identify and analyse contemporary challenges and issues in the alternative investment industry.

¹ If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

² Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

Delivery and Resources

CLASSES

Timetable: Detailed timetable for classes are available at <https://www.mq.edu.au/about/about-the-university/faculties-and-departments/business/study-with-us/macquarie-applied-finance-centre/timetables>.

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

Text: Nil.

Additional Readings:

- Case study materials and required readings are available via iLearn.
- Additional discussion data will be placed on iLearn.
- Students should assume these materials, readings and data are not examinable unless otherwise advised by the lecturer.

Lecture Notes: Available via iLearn.

Study Problems: Students are required to work systematically through suggested technical examples. These examples will not be collected but they will help you prepare for the exams.

Useful Article References:

- Introductory articles are available via iLearn.
- Other articles are also available via iLearn.
- The lecturer will advise which articles are examinable.

Calculators: Only non-programmable calculators (no text/storage retrieval) are permitted to be used in the exam.

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

TECHNOLOGY USED AND REQUIRED

Unit iLearn Site:

- Found by logging on to iLearn ilearn.mq.edu.au, then clicking on **AFCP8091 Alternative Assets**.

- This is where you will find forums, downloadable resources and links to important pages.
- The forum allows you to communicate with other students and lecturer(s) and may provide supplementary material.
- You are requested to post your questions on the forums at least 24 hours prior to the assignment submission date or the examination date. Questions posted after that time may not be answered. **Do not leave your questions to the last few days.**

Important:

- It is important that you familiarise yourself with the unit's iLearn site.
- Students should check the unit's iLearn site 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

SESSION 1

Topics:

- Introduction
 - Review of unit outline
- What are Alternative Assets?
 - Building up of a formal definition
- Features of the three main categories
 - Real assets
 - Hedge funds
 - Private equity
- Democratisation of Alternatives
 - Liquid alts
 - Alternative risk premia

SESSION 2

- Trading Techniques
 - Use of derivatives
 - Leverage
 - Short selling
- Investment Strategies
 - Macro
 - Equity

- Event driven
- Relative value

SESSION 3

- Class Presentation
 - 10 min per presenter including questions

SESSION 4

- Mean Variance Optimisation
- Role of Alternatives in Portfolios
- Alternative Expected Returns
- Alternative Portfolio Construction techniques
- Factor Analysis

SESSION 5

- Performance Measurement in Alternatives
- Alternative Indexing
- Fees

SESSION 6

- Contemporary Issues and Challenges facing Alternative Assets

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.