

## SYLLABUS

**Professors**: Jean Bellemans and Bruno de Vuyst

**Semester/Year**: Summer 2009

**Course number**: BUS 326E

**Course title**: European Portfolio Management

**Prerequisites**: BUS 241E (Financial Accounting)

### **Objectives**

The main objectives of the course are:

- (1) to give to the students the basic theoretical and practical knowledge needed to understand the main types of international financial investments, and to value, select and manage them;
- (2) to explain to them how these investments are traded on organized exchanges and "over-the-counter";
- (3) to show them how these investments are combined to compose portfolios;
- (4) to explain the roles and the activities of the main types of entities involved in international portfolio management;
- (5) to familiarize them with the main sources of information on these subjects.

The investments are seen from the point of view of decision makers (investors, investment managers, company executives, bankers), or of consultants to decision makers.

Consequently, the course is very practical, and the theory is kept to a reasonable minimum.

### **Outline of content**

The course covers the following main topics:

- (1) the "building blocks" of international portfolios, i.e. the main types of financial investments: foreign exchange/currencies, equities, bonds, commodities, derivatives (forwards, futures, options, warrants, swaps, etc.), etc;
- (2) the main markets for these investments (Europe, U.S.A., the largest Asian markets), as well as the "emerging markets";
- (3) the main types of international portfolios marketed, including mutual funds, hedge funds, private equity funds, leveraged buy-out funds, venture capital funds, etc.;
- (4) the construction, the management and the valuation of international portfolios.

### **Teaching and assessment methods**

The course is taught through a combination of lectures, readings, discussions, exercises and cases.

So as to maximize the productivity of the learning process, it is essential that all material assigned be prepared sufficiently before each class.

Attendance and active class participation are equally essential.

The final grade will be the weighted average of the grades for its four components:

(1) Preparation of the classes (including the written assignments): 40 %. Please note that any non-respect of the deadlines for the submission of the written assignments will be penalized.

(2) Class attendance and class participation (i.e. quantity and quality of the participation in the class discussions): 10 %.

(3) The mid-term examination: 20 %.

(4) The final examination: 30 %.

### **Major readings**

(1) Textbook: "Global Investments"(Bruno Solnik, Dennis McLeavey) (Prentice Hall, sixth edition, copyright 2009). This book is available as follows:

- Print edition: ISBN-10: 0-321-52770-4.  
ISBN-13: 978-0-321-52770-7.

- Electronic edition (www.coursesmart.com):  
ISBN-10: 0-321-5512-3.  
ISBN-13: 978-0-321-55127-6.

(2) Documents handed out in class:

(3) "Financial Times".