



FIN 415 - Security Analysis & Portfolio Management  
Spring 2021  
TA: Zefan Huang ([zefan@hawaii.edu](mailto:zefan@hawaii.edu))

Professor Tray Spilker  
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Section 01: Tue/Thu 9-10:15am  
Office Hours: Tue 12-1pm  
TA Office Hours: Thu 12-1pm

Zoom: <https://hawaii.zoom.us/j/91310585745>  
Meeting ID: 913 1058 5745  
Passcode: 999601

**Description** This course is designed as a comprehensive study of investment management from the perspective of the professional institutional investor. The course emphasizes portfolio management as a dynamic process in which the concepts from security analysis are factored into the dynamics of strategic and tactical investment decision-making criteria. The course covers the formulation of appropriate investment portfolio objectives for institutional investors, and the methods for achieving, maintaining, and revising them. This will include asset allocation using traditional financial assets such as stocks and bonds, as well as alternative assets. Other topics include portfolio optimization, risk management, security selection, portfolio monitoring and rebalancing, and performance measurement.

**Prerequisite** BUS 314: Business Finance; FIN 311: Investments. Students are also expected to have completed introductory courses in accounting, statistics, and economics, and comfortable using Microsoft Excel.

**Approach** The course will be conducted through a combination of lecture and case-based discussions. Hence, class discussions will play a major role. Students will also collaborate with peers to develop a recommended investment portfolio for an institutional client of their choice. Students will submit periodic assignments that culminate in a final paper submission aimed at convincing a hypothetical prospect to become a client and invest in the recommended portfolio.

**Required  
Material**

*Managing Investment Portfolios: A Dynamic Process*. Maginn, John L., Donald L. Tuttle, Dennis W. McLeavy, and Jerald E. Pinto (MTMP). 3<sup>rd</sup> Edition. CFA

*Supplemental material* is available on Laulima and include: lecture slides, sample exams, readings, and spreadsheets

***Other Texts:***

*Portfolio Management*. Scott D. Stewart, Christopher D. Piros, and Jeffrey C. Heisler, 2<sup>nd</sup> Edition, John Wiley & Sons, Inc. 2019.

*Investments* or *Essentials of Investments*. Bodie, Zvi, Alex Kane and Alan Marcus, 11th Edition (or recent). McGraw Hill. 2018.

***The Wall Street Journal:***

We will maintain the habit of being an informed investor through continuous monitoring of relevant financial market news. You can subscribe to the WSJ at \$4/month through: <http://www.wsj.com/studentoffer>. Other useful news sources include The Financial Times, Bloomberg, The Economist, Barron's, Investor's Business Daily, etc.

**Assignments** *Participation:* Attendance **and** participation are required for this course; attendance is not the same as participation. Zoom cameras must be on to be counted as present. Excessive absence will result in loss of points. Moreover, one of the goals of this class is to improve our fluency in financial markets. At the start of some classes we will discuss current events and relate them to class materials. I may also forward articles or investment cases to be featured as discussion topics in a class.

*Group Project Case:* Students will divide into groups of 1-4 people. The project mimics an engagement with a potential client in which you will assume the role of an institutional portfolio manager. Groups will choose one client type from this list (sovereign wealth fund, endowment, foundation, high net worth family, defined benefit pension, defined contribution pension, or insurance company). Project requirements are delivered as homework in five parts:

1. Investment Objectives and Constraints
2. Asset Allocation Policy
3. Specific Fixed Income and Equity Vehicles
4. Suggested Alternative Investments
5. Performance Measurement and Monitoring

Written documents for the first four are graded. A final presentation, including all 5 parts in both written and verbal format is also graded. Groups may be asked to present certain of the first few homework assignments in class to practice for the graded final presentation.

Peer/self-evaluation will also be collected to measure individual performance within each team. Use the template posted on Laulima and submit your ratings via Laulima upon project completion.

Final Exam: The exam tests your understanding of key concepts covered. They will be comprised of problems derived from class discussions, reading assignments, or case homeworks. The final will be closed book and closed notes. Except for extenuating circumstances, ***no make-up exam*** will be allowed. In general, work related conflicts or overlapping requirements due in other classes are not valid excuses for rescheduling exams.

**Grading** Letter grades will be assigned at the end of the course according to the following allocations:

Assignment	Weight	Evaluated
Participation	10%	Individual
Case Homeworks (1-4)	40%	Group
Case Presentation	10%	Group
Peer/Self-Evaluation	10%	Individual
Final Exam	30%	Individual
Total	100%	

Plus or minus grades are used to distinguish performance within letter grades. ***You must earn 65 points to receive a C minus in the course.***

**Disabilities** Any student with special needs should bring this to my attention as soon as possible, but not later than the second week of class. Students with disabilities are encouraged to contact the KOKUA Program for information and services. Contact KOKUA at 956-7511, kokua@hawaii.edu, or at the Queen Lili‘uokalani Center for Student Services room 013.

**Integrity** Cheating and Plagiarism will not be tolerated. All incidents will be handled in accordance with the UH *Student Code of Conduct*. The UH Student Code of Conduct, is available at: <http://www.hawaii.edu/student/conduct>.

**Tentative Schedule:** The schedule is subject to change as the semester progresses.

<b>Week</b>	<b>Date</b>	<b>Topic</b>
1	12-Jan 14-Jan	Ch 1: Introduction and the IPS
2	19-Jan 21-Jan	Ch 2: Managing Individual Investor Portfolios
3	26-Jan 28-Jan	Ch 3: Managing Institutional Investor Portfolios
4	2-Feb 4-Feb	<b>HW 1:</b> IPS for fictional entity
5	9-Feb 11-Feb	Ch 4: Capital Market Expectations
6	16-Feb 18-Feb	Ch 5: Asset Allocation
7	23-Feb 25-Feb	<b>HW 2:</b> Asset Allocation
8	2-Mar 4-Mar	Ch 6: Fixed Income Portfolio Management
9	9-Mar 11-Mar	Ch 7: Equity Portfolio Management
10	16-Mar 18-Mar	<b>Spring Break</b>
11	23-Mar 25-Mar	<b>HW 3:</b> Fixed Income and Equity Allocations
12	30-Mar 1-Apr	Ch 8: Alternative Investments Portfolio Management
13	6-Apr 8-Apr	Ch 9: Risk Management
14	13-Apr 15-Apr	Ch 12: Evaluating Portfolio Performance <b>HW 4:</b> Suggested Alternative Investments
15	20-Apr 22-Apr	Group Project Workshop Project Presentations
16	27-Apr 29-Apr	Final Exam Review
17	4-May	<b>Final Exam</b>