UNIVERSITY OF HAWAI'I AT MĀNOA

S H ❦ D L E R
COLLEGE OF BUSINESS
• International Excellence •

FIN 653 – Portfolio Management & Optimization   Professor Tray Spilker
Summer I, 2021   Office: BUSAD E-601K
Office Hours: by appointment   Email: tray.spilker@hawaii.edu

Zoom: https://hawaii.zoom.us/j/91227863650   Meeting ID: 912 2786 3650
Class Time: Tue/Thu 6-9:30pm   Passcode: 312905
Laulima: FIN-653-241[MAN.4128.SU21]

Description   Portfolio management requires understanding of both quantitative tools and
.   qualitative decision-making. This course is designed for students to learn highly
           advanced techniques in asset allocation and portfolio management and apply them
           in real-world investment casework. Topics include:
           - Client Objectives
           - Mean-Variance and other asset allocation techniques
           - The investment process
           - Rebalancing
           - Performance Measurement
           - Equity, Fixed Income, and Alternative portfolio strategies

Approach   The course will be conducted through a combination of lectures and workshops,
           and centered on cases drawn from actual industry experience. The best way to
           determine whether students have developed competency in solving complex
           investment problems is to work on real world cases. Due to their complexity, they
           require teamwork to successfully complete in a classroom setting. Detailed
           guidance will be provided as you work through the cases.

Goal   Each student can effectively explore and solve a complicated investment
           management problem, and effectively communicate the solution.

Required   *Portfolio Management.* Scott D. Stewart, Christopher D. Piros, and Jeffrey C.
Material   Heisler, 2nd Edition, John Wiley & Sons, Inc. 2019.

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

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Assignments *Homeworks:* There are 4 homework assignments that are outlined in a separate document found on Laulima. The homeworks consists of answering questions about the readings and completing Excel Outboxes in the text. Due dates for each homework is detailed in the schedule below.

Group Case: Students will divide into groups of 2-4 and will have the opportunity to develop creative solutions to complex investment problems. The case descriptions are in the textbook. Supporting materials and data are available on the book's website. Competency is determined through the review of written reports and a final presentations. Case deliverables include defining investment issues and objectives, setting asset allocation policy, and developing plans to implement investment policy.

Casework is delivered in three parts. Written documents for the first two are graded in a 0-100% format. A score of 85% is acceptable and 95% or higher exceeds expectations. A final presentation, including all 3 parts, in both written and verbal format, is graded by the professor. Groups may be asked to present the first two case deliverables in class to practice for the graded final presentation. The case deliverable components include:
1. Investment Objectives
2. Asset Allocation Policy
3. Implementation, including Measures of Success

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, the group case, or 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
Cases: Written (10, 10, & 20%)	40%	Team
Cases: Presentation	10%	Team
Homework	10%	Student
Peer/Self-Evaluation	15%	Student
Final Exam	25%	Student
Total	100%	

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 Liliʻuokalani 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.

Class	Date	Topics	SPH Chapters	Homework/ Cases Due
1	25-May	Introduction to Course	Ch 1	
		Case Discussion	Pgs. 617-644	
2	27-May	Client Objectives for DB & DC Institutional Investors	Ch 2	Submit Case Preferences
		Client Objectives for Individual Investors	Ch 2	
		Client Objectives for Portfolio of Securities	Ch 7.7	
3	1-Jun	Introduction to Mean-Variance Optimization	Ch 3 (1st half)	HW 1 Due: IPS Questions
		Applications of MV Optimization Techniques	Ch 3 (2nd half)	
4	3-Jun	MV Ops: 5-Asset Spreadsheet, A/L, Downside	Ch 3 (sect. 3)	HW 2 Due: Endowment Report Questions
		Asset Allocation Inputs	Ch 4	
		Guidance for Case Deliverable # 1		
5	8-Jun	*Case Presentation: Stage One - Objectives*		CASE #1 WRITEUP DUE
		Asset Allocation Inputs: CMEs	Ch 4	
		Advanced Asset Allocation Techniques	Ch 5	
6	10-Jun	Advanced Asset Allocation Techniques	Ch 5	HW 3: Build Spreadsheet
		Investment Process	Ch 6	
7	15-Jun	Intro Equity Investing	Ch 7	
		Equity Portfolio Construction & Risk Models	Ch 8	
		Guidance for Case Deliverable # 2		
8	17-Jun	*Case Presentation: Stage Two - Asset Allocation*		CASE #2 WRITEUP DUE
		Bond Management	Ch 9	
9	22-Jun	Portfolio Rebalancing, incl./ Trans Costs & Taxes	Ch 12	
		Manager Selection	Ch 12	
10	24-Jun	Performance Measurement & Attribution	Ch 13 (sect. 1-3)	
		Guidance for Case Deliverable # 3		
11	29-Jun	*Final Case Presentation*		CASE #3 WRITEUP & Presentation
		Final Exam Distributed		
12	1-Jul	**Final Exam Due**		