City University of Hong Kong
Course Syllabus

offered by Department of Economics and Finance
with effect from Semester A 2022 /23

Part I Course Overview

Course Title:	Asset Management and Hedge Fund Strategies
Course Code:	EF5058
Course Duration:	1 semester
Credit Units:	3
Level:	P5
Medium of Instruction:	English
Medium of Assessment:	English
Prerequisites: *(Course Code and Title)*	EF5052 Investments and EF5070 Financial Econometrics
Precursors: *(Course Code and Title)*	Nil
Equivalent Courses: *(Course Code and Title)*	Nil
Exclusive Courses: *(Course Code and Title)*	Nil

Part II Course Details

1. Abstract

The course describes some of the main trading strategies used by active traders and provides a methodology to analyze them. The course covers individual equity markets (discretionary equity investing, short selling, quantitative equity strategies), tactical asset allocation across equity indices, currencies, fixed-income, and commodities (global macro investing, managed futures strategies), and relative-value arbitrage strategies (fixed income arbitrage, convertible bond arbitrage, event driven investments).

2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	*A2*	*A3*
1.	Demonstrate a solid understanding of active asset management industry and major strategies.	20%	√	√	
2.	Explain and apply the concepts of performance evaluation of trading strategies.	15%	√	√	√
3.	Explain and apply the concepts of portfolio construction and risk management.	15%		√	√
4.	Understand and apply the key active equity strategies – discretionary and quantitative.	20%		√	√
5.	Understand and apply macro strategies – asset allocation.	15%		√	√
6.	Understand and explain arbitrage strategies – fixed income arbitrage and event-driven.	15%		√	√
		100%			

A1: Attitude
Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability
Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.

A3: *Accomplishments*
Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3. Teaching and Learning Activities (TLAs)

(TLAs designed to facilitate students' achievement of the CILOs.)

TLA	Brief Description	CILO No.						Hours/week (if applicable)
		1	2	3	4	5	6	
Lectures, in-class discussions	The course will also develop students' creative and innovative abilities through numerous assessment tasks/activities that involve the discovery and innovative process. Lectures are designed to help students develop their discovery abilities through class discussions and circumstance simulation. Lectures will focus on basic concepts and framework. Students are expected to discover the methodology of active asset management and applications. The final exam which covers the topics in the lectures and in-class discussion will also reflect students' accomplishments in discovery and innovation.	√	√	√	√	√	√	3 hours lecture per week
Assignments, Group projects/ case studies	Group projects/case studies and assignments enable students to discover and innovate through the use and evaluation of asset management strategies. Students will learn to use these strategies and evaluation tools and conduct analyses on real life applications.	√	√	√	√	√	√	

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.						Weighting	Remarks
	1	2	3	4	5	6		
Continuous Assessment: 50%								
Assignments	√	√	√	√			20%	To enhance students' understanding of the key concepts and theory covered in the lectures. Students will discover the basics of active asset management strategies and tools to evaluate performance and manage risk.
Group projects / case studies	√	√	√	√	√	√	30%	Students will implement and analyze a particular investment strategy based on real data. This is the key step in developing students' abilities and skills to discover and innovate.
Examination: 50 % (duration: 2 hours)								
Final Examination	√	√	√	√	√	√	50 %	The final examination which covers topics in lectures and in-class discussions will reveal students' accomplishments in discovery and innovation.
							100%	

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Applicable to students admitted in Semester A 2022/23 and thereafter

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
Assignments	Based on performance on take-home problem sets.	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.	Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.	Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.
Group projects / case studies	Based on project write-up.				
Final Examination	Based on 2-hour final exam.				

Applicable to students admitted before Semester A 2022/23

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
Assignments	Based on performance on take-home problem sets.	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.	Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.	Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.	Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.
Group projects / case studies	Based on project write-up.					
Final Examination	Based on 2-hour final exam.					

Part III Other Information (more details can be provided separately in the teaching plan)

1. Keyword Syllabus

Active Asset Management, Portfolio Construction, Performance Evaluation, Backtesting Strategies, Equity Valuation and Discretionary Equity Investing, Quantitative Equity Strategies, Macro Strategies, Event-Driven Arbitrage, Fixed-Income Arbitrage, Managed Futures

2. Reading List

2.1 Compulsory Readings

(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

1.	*Efficiently Inefficient: How Smart Money Invests and Market Prices are Determined,* by Lasse H. Pedersen, Princeton University Press.

2.2 Additional Readings

(Additional references for students to learn to expand their knowledge about the subject.)

1.	*Investments*, by Zvi Bodie, Alex Kane, and Alan J. Marcus, McGraw-Hill.
2.	*Fixed Income Securities: Tools for Today's Markets, 3rd Edition, University Edition,* by Bruce Tuckman and Angel Serrat, Wiley.
3.	*Asset Management: A Systematic Approach to Factor Investing*, by Andrew Ang, Oxford University Press.