Lisbon School of Economics & Management
Universidade de Lisboa

Investments and Portfolio Management

2023

Today

- Course introduction (practicalities)
- Financial Markets, Structure and Instruments, (Slides: IPM1.1)

Course introduction (practicalities)

- Who we are?
- What the course is about?
- Scheduled teaching and learning activities
- Unscheduled teaching and learning activities
- Examination
- Course literature
- Questions

Who we are:

Students

- Former students of ISEG?
- Students from outside of Portugal?
- Students in Economics Business and/or Finance?
- Students who currently work (part time or full time)?

Faculty

- Theoretical lectures: Mia Hinnerich,
  Email: mia.hinnerich@iseg.ulisboa.pt
- Practical lectures: Bruno Fernandes,
  Email: brunofernandes@iseg.ulisboa.pt

About Mia

- Academic work
  - Now: Stockholm University, Sweden,
  - Aarhus University, Denmark,
  - ETH, Switzerland
- Education:
  - PhD Finance Stockholm School of Economics,
  - MSc Economics, BSc Business Administration, BSc Mathematics
- Industry experience
  - Swedish National Debt Office (debt issuer)
  - SEB (bank)
  - Trygg-Hansa (insurance)
- Language
  - Swedish
  - English

What the course is about (in brief)

FINANCIAL MARKET STRUCTURE AND INSTRUMENTS
- Functions of financial system, Financial instruments, Trading

THEORY OF PORTFOLIO MANAGEMENT
- Trading-portfolios, Mean-variance portfolios, Efficient frontier, constant correlation models, Single index model, multi-factor models

SELECTING OF OPTIMAL PORTFOLIOS
- Wealth management, Expected utility theory, Alternatives to utility

MODELS OF EQUILIBRUM IN CAPITAL MARKETS
- Capital asset pricing model (CAPM), Arbitrage pricing theory (APT), Market efficiency, Behavioral Finance

EVALUATING THE INVESTMENT PROCESS
- Portfolio performance evaluation

Preliminary scheduled teaching activities

Theoretical lectures with Mia

- In total 12 theoretical lectures.
- Full size group
- 5 lectures on campus: 9/15 (5 hours), 9/22 (3 hours) , 10/13 (5 hours) , 10/20 (3 hours) and 12/6 (3 hours)
- 7 lectures online. 9/29, 10/6, 10/27, 11/3, 11/10, 11/17, 11/24 (10-13 hours)
  - Microsoft Teams meeting Meeting ID: 388 324 404 691 Passcode: q43GMH

Practical lectures with Bruno

- 13 practical lectures (1.5 hours),
- On campus
- half-size group

Schedule is preliminary and may be subject to change. For details and any updates or changes please see Fenix.

Unscheduled teaching and learning activities

Majority of your time is spent on unscheduled activities. Suggestions:

- Read the textbook
- Repeat the slides
- Solve exercises
- Solve old exams
- Discuss and help each other explain key concepts and exercise

Examination

- Students are evaluated based upon their performance at the final written exam. Students have access to the usual two exam seasons.

- The exam will not be very different from last year exams. More information about the exam will follow on the last lecture.

Course literature

Textbooks

- Elton E.J., M. J. Gruber, S. J. Brown and W. N. Goetzmann (2014), *Modern Portfolio Theory and Investment Analysis*, 9th Edition, Wiley.
- Joshi, M. S., and J. M. Paterson (2013). Introduction to mathematical portfolio theory. Cambridge University Press.

Slides

- Will be available on Fenix before class

Optional (recommended) readings

- Maginn, J. L., Tuttle, D. L., McLeavey, D. W., & Pinto, J. E. (Eds.). (2007). Managing investment portfolios: a dynamic process, 3rd edition, John Wiley & Sons.
- Bodie, Cane Marcus, Investments, 13th edition, Mac Graw Hill Education, (for recap of the basics)

Questions?