

Advanced Portfolio Management

Pr. Christophe M. BOUCHER*

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Course Objectives

This course introduces crucial concepts of investment decision-making, portfolio theory and valuation models of financial assets, especially bonds and common stocks. Students will develop skills and learn tools to understand how financial markets value securities, building optimized portfolios, perform market research and security valuation, measure portfolio performance and manage a portfolio under risk budgets. After establishing foundations of the Modern Portfolio Theory, we will focus on its extensions and applications. The course objective is achieved through a combination of lectures, practical exercises, case studies and, finally, seminars by two practitioners.

Associated Practitioners

Marielle de Jong – Head of Fixed Income Research at Amundi Asset Management.
Emmanuel Soupre – Head of Equity at Neuflyze OBC Investissements.

Time: Friday 5:00-8:00 PM; **Location:** G410B; **First day of the course:** 3rd October 2016;
Length: 5 seminars of three hours (+ special sessions Emmanuel Soupre, Stefan Straetmans and Alexandre Jasinski)

Course Topics

Topic 1. General Introduction: Securities, Markets, Returns, Distributions

Topic 2. The Mean-Variance Framework

Topic 3. Risk Measures

Topic 4. Alternative Paradigms and Criteria

Topic 5. Factor Investing

Topic 5. Portfolio Performance

Topic 6. Bond Price and Duration Management

Topic 7. Robust Portfolios

Topic 8. Risk Budgeting

Grading:

2-hour Written test: 3 exercises.

Essential References

- Bodie Z., A. Kane and A. Marcus, (2010), *Investments*, 9th Edition, 1056 pages.
- Copeland T. E., J.F. Weston and K. Shastri (2004), *Financial Theory and Corporate Policy*, Addison Wesley, 4th Edition, 1024 pages.
- Danielsson J., (2011), *Financial Risk Forecasting: the Theory and Practice of Forecasting Market with Implementation in R and Matlab*, Wiley-Blackwell, 296 pages.
- Elton E., M. Gruber, S. Brown and W. Goetzmann, (2010), *Modern Portfolio Theory and Investments Analysis*, John Wiley and Sons, 8th Edition, 752 pages.
- Meucci A., (2009), *Risk and Asset Allocation*, Springer, 560 pages
- Litterman B., (2003), *Modern Investment Management: An Equilibrium Approach*, John Wiley and Sons, 702 pages.
- Sherer B. et D. Martin, (2005), *Introduction to Modern Portfolio Optimization*, Springer, 405 pages.

French References

- Aftalion F. (2004), *La Nouvelle Finance et la Gestion de Portefeuille*, Economica, 246 pages.
- Aftalion F., Poncet P. et R. Portrait (1998), *La Théorie Moderne du Portefeuille*, Que sais-je ?, PUF, 127 pages.
- Amenc N. et V. Le Sourd (2003), *Théorie du Portefeuille et Analyse de sa Performance*, Economica, 352 pages.
- Broihanne M-H., Merli M., Roger P. (2004), *Finance comportementale*, Economica, 262 pages.
- Chauveau T. (2004), *Equilibre d'un marché financier*, Hermès.
- Poncet P. et R. Portait (2009), *Finance de marché*, Dalloz, 1101 pages.
- Viviani J.-L. (2001), *Gestion de Portefeuille*, Seconde édition, Dunod, 322 pages.

Lecturer



Pr. Christophe Boucher is an Agrégé Professor in Economics and Finance at the University of Paris Ouest Nanterre La Défense. He is also Chief Strategist - Head of Quantitative Research & Strategy within ABN AMRO Investment Solutions. He graduated in Economics and in Finance, and holds a PhD in Economics in 2006 (“Misalignments, Aggregated Returns and Aggregated Volatility”). He has published several comments in newspapers and articles in academic journals such as Journal of Banking and Finance, Economics Letters, Finance and serves as a referee in several international leading journals. His interest mainly concerns strategic/tactical allocation, predictability of returns and volatility, asset pricing, monetary policy and macroeconomics. He received the “Young Economist Award” in 2006 from the European Economic Association (EEA) and the “Young Researcher in Economics Prize” from the Banque de France Foundation in 2010.